

**SUMMARIZED UNAUDITED ACCOUNT FOR JAIZ BANK PLC
MARCH 2017**



INTRODUCTION

Jaiz Bank PLC Summarized Unaudited Financial Account as at 31st, March 2017 complies with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding interim financial statements.

These financial statements are in accordance to the standards applicable to Islamic Banking Operations and procedures as well as IAS 34 'Interim Financial Reporting' its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria.

JAIZ BANK

STATEMENT OF FINANCIAL POSITION FOR THE FIRST QUARTER AS AT MARCH 31, 2017

		2017	2016
	Notes	N'000	N'000
Assets			
Cash and Balance with Central Bank of Nigeria	3	25,670,051	19,767,742
Due from Banks and Financial Institution	4	8,118,062	2,292,236
InterBank Murabaha	5	1,000,000	-
Sukuk	5	1,010,442	1,199,303
Murabaha Recievables	6	16,725,700	11,343,762
Investment in Musharaka	7	1,191,704	643,500
Investment in Qard Hassan	8	171,313	139,680
Investment in Istisna	0 9	771,673	524,107
Investment in Ijara Asset	10	13,493,291	13,174,009
Investment in Asset Held for Sale	11	1,175,758	402,354
Property, Plant and Equipment	12	1,863,976	1,487,528
Leasehold Improvement	13	31,407	64,064
Intangible Assets	14	354,008	294,729
Other Assets	15	5,348,114	5,774,741
Deferred Taxation	16b	1,772,577	1,566,003
Total Assets		78,698,076	58,673,758
Liabilities			
Customer Current Deposit	(17a)	31,430,698	20,654,025
Other Liabilities	18b	1,589,469	1,077,108
Tax payable	16a	77,748	-
Total liabilities		33,097,915	21,731,133
Equity of Investment Account Holders			
Financial Institutions' Investment Accounts		-	-
Customers' Unrestricted Investment Accounts	(17b)	27,915,021	25,690,950
Mudaraba Term Deposit	(17c)	2,771,674	-
Total Equity of Investment Account Holders		30,686,695	25,690,950
Owners' Equity			
Share Capital	19	14,732,125	11,829,700
Share Premium	20	627,365	632,289
Retained Earnings	21	(1,900,179)	(1,325,779)
Risk Regulatory Reserve	22i	1,360,774	115,465
Statutory Reserve	22ii	93,381	-
Total Equity		14,913,466	11,251,675
Total Equity and Liabilities		78,698,076	58,673,758
Guarantee And Other Contingent Assets & Liabilities		7,812,394	3,116,456



Hassan Usman, FCA
Managing Director/CEO
FRC/2013/ICAN/0000003984



Abdullahi Usman, FCA
Chief Financial Officer
FRC/2017/ICAN/00000016235

JAIZ BANK

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED MARCH 31, 2017

	Notes	2017 N'000	2016 N'000
Income:			
Income from Financing Investment	23	1,543,922	1,262,619
Income from Sukuk	24	79,723	50,104
Gross Income from Islamic financing transactions		1,623,645	1,312,723
Return on Equity of Investment Account Holders	25(i)	(285,900)	(270,433)
Bank's share as a Mudarib/Equity investor	25(ii)	1,337,745	1,042,290
Impairment Charges against non performing Financing and Investment	32	(105,000)	(63,497)
Net Spread After Provision		1,232,745	978,793
Other Income			
Fee and commission	26	193,152	85,751
Other Operating Income	27	20,000	13,850
Total Income		1,445,897	1,078,394
Expenses:			
Staff costs	29	512,589	474,758
Depreciation and Amortisation	30	134,511	118,262
Other Expenses	31	595,118	411,533
Total Expenses		1,242,218	1,004,553
Operating Profit/(Loss)		203,679	73,841
Income Tax Expenses		-	-
Profit/(Loss) for the Year after Tax		203,679	73,841
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		203,679	73,841
Basic Earnings per share		0.01	0.01

JAIZ BANK

**STATEMENT OF CHANGE IN EQUITY
FOR THE FIRST QUARTER ENDED MARCH 31, 2017**

March 31, 2017

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Satutory Reserve N'000	Risk Regulatory Reserve N'000	Total N'000
Balance at 1 January 2017	14,732,125	627,365	(2,103,858)	93,381	1,360,774	14,709,787
Profit for the year	-	-	203,679	-	-	203,679
Balance at 31 March 2017	14,732,125	627,365	(1,900,179)	93,381	1,360,774	14,913,466

31 March 2016

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Satutory Reserve N'000	Risk Regulatory Reserve N'000	Total N'000
Balance at 1 January 2016	11,829,700	632,289	(1,427,183)	-	115,465	11,150,271
Prior year adjustments	-	-	27,563	-	-	27,563
Profit for the year	-	-	73,841	-	-	73,841
Balance at 31 March 2016	11,829,700	632,289	(1,325,779)	-	115,465	11,251,675

JAIZ BANK

STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

		<u>2017</u>	<u>2016</u>
	Notes	N'000	N'000
Cash flow from operating activities			
Net profit/(loss) before tax		203,679	73,841
Adjustments for non cash items:			
Depreciation	12	108,388	81,734
Amortization of Intangible Assets	14	14,081	10,348
Amortisation of leasehold Improvement	13	12,042	26,181
Provision for financing impairment	32	105,000	63,497
Amortisation of prepaid rent	31	42,761	36,967
Operating profit before changes in operating asset and liabilities		485,951	292,568
Working capital adjustment:			
Interbank Murabaha	5	(1,000,000)	-
Sukuk	5	188,861	(1,199,303)
Murabaha recievables	6	(5,243,587)	(11,625,637)
Investment in Musharaka	7	(550,000)	(650,000)
Qard Hassan	8	- 32,633	- 139,680
Istisna	9	115,959	(524,107)
Ijara rental recievables	10	(209,782)	(13,252,641)
Investment in trading assets	11	(773,404)	(402,354)
Other assets	15	2,675,713	(14,523,871)
Customers' current account	(17a)	10,776,673	20,654,025
Other liabilities	18b	484,798	1,104,671
Net cash from/(used in) operating activities		6,918,549	(20,266,329)
INVESTING ACTIVITIES			
Purchase of property, plant & equipment	12	(67,448)	(2,258,649)
Purchase of intangible assets	14	(139,326)	(423,916)
Improvement on leasehold properties	13	20,615	(736,837)
Net cash used in investing activities		(186,159)	(3,419,402)
FINANCING ACTIVITIES			
Customers investment accounts	(17b)	4,995,745	25,690,950
Net cash provided by (used in) financing activities		4,995,745	25,690,950
Increase (Decrease) In Cash And Cash Equivalents		11,728,135	2,005,219
Cash and cash equivalents at beginning of year		22,059,978	20,054,759
Cash And Cash Equivalents At 31 December		33,788,113	22,059,978

The notes on pages 23 to 80 forms an integral part of these financial statements

JAIZ BANK

STATEMENT OF SOURCES AND USES OF QARD FUND FOR THE FIRST QUARTER ENDED MARCH 31, 2017

	2017		2016	
	N'000		N'000	
	Qard Hasan Receivables	Total	Qard Hasan Receivables	Total
Balance at 1 January	127,674	127,674	-	-
Share loans to staff	-	-	5,135	5,135
Staff loans	-	-	-	-
Loans to customers	50,000	50,000	-	-
Others	-	-	-	-
Total uses during the year	177,674	177,674	5,135	5,135
Repayments	(6,361)	(6,361)	(134,545)	(159,146)
Balance at 31 March	171,313	171,313	139,680	164,281
Sources of qard fund				
Contribution by the bank	171,313	171,313	139,680	164,281

The purpose of this Statement is to disclose the status of the financial accommodation that was granted to members of staff when they bought the Bank's shares under 2012 Private Placement Exercise as well as the status of Staff Loans taken over by the Bank as a result of recruitment from other Banks. Staff and Customers under critical situations were also granted this type of accommodation.

JAIZ BANK

STATEMENT OF SOURCES AND USES OF CHARITY FUND FOR THE FIRST QUARTER ENDED MARCH 31, 2017

	2017	2016
	N'000	N'000
Sources of Charity Funds		
Undistributed Charity funds at the beginning of the year	13,193	1,819,270
Non-permissible income during the year	5,933	54,964
Retained	-	-
Total Sources Of Charity Funds During The Year	19,126	1,874,234
Uses of Charity Funds		
Transfer to Jaiz Foundation	-	-
Philontropic Activities	13,193	-
Total uses of funds during the year	13,193	-
Undistributed charity funds at the end of the year	5,933	1,874,234

This Statement discloses how the Non-permissible Income was being dispensed with.

During the period under review the Bank had utilised the sum of N13.19 Million non-permissible Income generated in the last quarter of 2016.

JAIZ BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2017

1 Reporting entity

Jaiz Bank Plc is the first fully fledged non-interest financial institution in Nigeria. The Bank commenced operation on January 6th, 2012 with three branches in two states and the Federal Capital Territory.

The Bank's Corporate Headquarter address is Kano House, Plot 73, Ralph Shodeinde Street, Central Business District, Abuja Nigeria.

The Financial Statement of the Bank as at March 31, 2017, is only for the Bank as it has no subsidiary and/or Associate company.

2 Significant Accounting Policies

(a) Statement of Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with the requirements of International Financial Reporting standards (IFRS) as issued by International Accounting standards Board (IASB). For matters on which no IFRS standard is applicable or IFRS conflicts with Shari'ah rules and principles, the bank uses the relevant Financial Accounting Standard as issued by the Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI) and shariah rulings as determined by the shariah supervisory board of the Bank.

(b) Basis of Preparation, Accounting Judgments & Estimates.

Financial statements are to be prepared under the historical cost convention, and may be modified by their valuation of certain investment securities, property, plant and equipment. Financial statements are to be prepared mainly in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). For matters that are peculiar to Islamic Banking and Finance, the Bank shall rely on the Statement of Financial Accounting ("SFA") and Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), Standards issued by the Islamic Financial Services Board ("IFSB") and Circulars issued by the Central Bank of Nigeria ("CBN") shall also be of guidance.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant uses of judgments and estimates are as follows:

i Going Concern

The Bank's management shall be making assessment of the Bank's ability to continue as a going concern and where satisfied that the Bank has the resources to continue in business for the foreseeable future shall form a judgment and prepare accounting information based on that. In any situation whereby the Board of Directors is aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern such issues shall be disclosed in the annual report.

ii Fair Value of Unquoted Equity Securities and Investment Properties

Fair value shall be determined for each investment individually in accordance with the valuation policies of the Bank. Where the fair values of the Bank's unquoted equity securities cannot be derived from an active market, they shall be derived using a variety of valuation techniques. Judgment by management is required to establish fair values through the use of appropriate valuation models, consideration of comparable assets, discount rates and the assumptions used to forecast cash flows. Investment properties and investments in real estate projects shall be carried at fair value as determined by independent real estate valuation experts. The determination of the fair value for such assets requires the use of judgment and estimates by the independent valuation experts that are based on local market conditions existing at the date of the statement of financial position.

iii Impairment Provisions against Financing Contracts with Customers

The Bank shall review its financing contracts at each reporting date to assess whether an impairment provision should be recorded in the financial statements. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes to the provisions. In addition to specific provisions against individually significant financing contracts, the Bank also shall make a collective impairment provision of 1% against exposures which, although not specifically identified as requiring a specific provision, have a greater risk of default than when originally granted. This takes into consideration, factors such as any deterioration in country risk, industry, and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

iv Impairment of Investments at Fair Value through Equity

The Bank shall treat investments carried at fair value through equity as impaired when there is a significant or prolonged decline in the fair value below their costs or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Bank would evaluate factors, such as the historical share price volatility for comparable quoted equities and future cash flows and the discount factors for comparable unquoted equities.

v Liquidity

The Bank shall manage its liquidity through consideration of the maturity profile of its assets and liabilities on daily basis. This requires judgment when determining the maturity of assets and liabilities with no specific maturities.

(c) Inventory

Inventory of stationery and consumables held by the Bank are to be stated at the lower of cost and net realizable value in line with IAS 2. When inventories become old or obsolete, an estimate is to be made of their net realizable value. For individually significant amounts, this estimation is to be performed on an individual basis. For amounts that are not individually significant, collective assessment shall be made and allowance applied according to the inventory type and degree of ageing or obsolescence based on historical selling prices.

(c) Non-Current Assets

Non-current (fixed) assets are initially recorded at cost. They are to be subsequently stated at historical cost less depreciation and any accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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

Construction cost in respect of offices is carried at cost as work in progress. On completion of construction, the related amounts are transferred to the appropriate category of fixed assets. Payments in advance for items of fixed assets are included as Prepayments in Other Assets and upon delivery are reclassified as additions in the appropriate category of property and equipment.

Asset that do not reach a limit of N25,000 (Twenty Five Thousand Naira Only) are expensed immediately in the income statement, but capitalized if above limit.

Depreciation is to be provided on a straight-line basis to write off the cost of asset over their estimated useful live. The annual rate which should be applied consistently over time are as follows:

Motor vehicle	(6 years)	16.67%
Furniture and fittings	(5 years)	20%
Equipment	(5 years)	20%
Computer Equipment- General	(3 years)	33%
Computer Equipment- Special	(5 years)	20%
Computer software	(10 years)	10%
Freehold Buildings	(50 years)	2%

Leasehold building over the expected life of the lease

Leasehold improvement over the period of the lease

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from it use. Gain and losses are recognised in the income statement.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of income for the year.

(e) Intangible Assets

Software licenses acquired by the Bank are stated at cost less accumulated amortization and accumulated impairment loss (if any). Expenditure incurred on internally developed software is recognized as an asset when the Bank is able to complete the software development and use it in such a manner that it will be able to generate economic benefit to the Bank, and that the cost to complete the development can reliably be measured by the Bank.

Internally developed software cost that is capitalized includes cost directly attributable to developing the software, and is amortized over the useful economic life of the software.

Amortization is recognized in the income statement on a straight line basis over the estimated useful life of the software.

(f) Financial Instruments – Initial Recognition and Subsequent Measurement

All financial assets and liabilities are initially recognized on the trade date, i.e. the date that the Bank becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets recorded at fair value through income statement.

(g) Ijarah (Leasing)

The Bank shall comply fully with the requirements of Sharia in recognition and measurement of Ijarah financing. The periodic lease rentals receivable are treated as rental income during the period they occur and charge thereon is included in operating expenses while initial direct cost incurred are written off to the income statement in the period they are incurred.

(h) Murabaha Receivables from Banks

These are interbank commodity Murabaha transactions. The Bank arranges a Murabaha transaction by buying a commodity (which represents the object of the murabaha) and then resells this commodity to the beneficiary murabeh (after adding a profit margin). The sale price (cost plus the profit margin) is paid either lump sum at Maturity or in installments by the Murabeh over the agreed period. Murabaha receivables from banks are stated net of deferred profits and provision for impairment, if any.

(i) Murabaha Receivables from Customers

Customer Murabaha receivables consist of deferred sales transaction agreements and are stated net of deferred profits, any amounts written off and provision for impairment, if any. Promise made in the Murabaha to the purchase Orderer is obligatory upon the customer and the bank can claim damages to the exact amount of loss suffered.

(j) Musharaka

Musharaka contracts represents a partnership between the Bank and a customer whereby each party contributes to the capital in equal or varying proportions to establish a new project or share in an existing one, and whereby each of the parties becomes an owner of the capital on a permanent or declining basis and shall have a share of profits or losses. These are stated at the fair value of consideration given less any amounts written off and provision for impairment, if any.

(k) Impairment of Investment in Risk Assets

At each balance sheet date, the Bank assesses whether there is objective evidence that the financial assets are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be measured reliably.

The Bank considers impairment both at individual asset level and also at collective level. All individually significant assets are assessed for specific impairment.

Assets found not to be impaired individually are assessed collectively for any impairment that has been incurred but not identified earlier. Insignificant assets are tested for impairment collectively.

Impairment loss on assets classified at amortized cost are measured as the difference between the carrying value of the asset and the present value of future cash flows discounted at the initial assets effective profit rate. Losses are recognized in the income statement of the period the loss is incurred.

Also, provision is determined from a specific assessment of each customer's account in accordance with the Central Bank of Nigeria's (CBN) Prudential Guidelines. A minimum general provision of 1% is made on all risk assets, which have not been specifically provided for.

Profit and/or principal that is outstanding	Classification	Provision
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
360 days and over	Loss	100%

When an investment is deemed not collectible, it is written off against the related provision for impairments and subsequent recoveries are credited to the provision for loan losses in the statement of income. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited as a reduction of the provision for impairment in the statement of income.

Risk assets in respect of which a previous provision was not made are written directly to the statement of income when they are deemed to be irrecoverable.

(l) Income Recognition

i Murabaha

Where the income is quantifiable and contractually determined at the commencement of the contract, income is recognized on a time-apportioned basis over the period of the contract based on the principal amounts outstanding. Accrual of income is suspended when the bank believes that the recovery of these amounts may be doubtful.

ii Ijarah Muntahia Bittamleek

Ijarah income is recognized on a time-apportioned basis, over the lease term. Accrual of income is suspended when the bank believes that the recovery of these amounts may be doubtful.

iii Musharaka

Income on Musharaka Contracts is recognized when the right to receive payment is established or on distribution by the Musharek.

iv Dividends

Dividends from investments in equity securities are recognized when the right to receive the payment is established. This is usually when the dividend has been declared.

v Fees and Commission Income

The Bank earns fee and commission income from a diverse range of services it provides to its customers.

vi Sale of Property under Development

Where property is under development and agreement has been reached to sell such property when construction is complete, the bank considers whether the contract comprises:

Contract to construct a property; or

Contract for the sale of completed property

Where a contract is judged to be for the construction of a property, revenue is recognized using the percentage of completion method, as construction progresses. The percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Where the contract is judged to be for the sale of a completed property, revenue is recognized when the significant risks, rewards and control of ownership of the property are transferred to the buyer.

vii Non-Credit Related Fee Income

This is recognized at the time the services have been performed and delivered or the transaction has been completed.

viii Foreign Income

- a) Commission on negotiation of various letters of credit and overdue Profit on delayed foreign payments are accounted for on receipt.
- b) Other Profit and income earned on the Bank's own funds held outside Nigeria are accounted for on receipt.

ix Earnings Prohibited by Shari 'a

The bank is committed to avoid recognizing any income generated from non-Islamic sources. Accordingly, all non-permissible income is transferred to charity.

x Service Income

Revenue from rendering of services is recognized when the services are rendered.

xi Revenue from Sale of Goods

Revenue from sales of goods is recognized when the significant risks, rewards and control of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

xii Bank's Share as a Mudarib

The Bank's share as a mudarib for managing the equity of investment account holders is accrued based on the terms and conditions of the related mudaraba agreements whereas, for off balance sheet equity of investment accounts, mudarib share is recognized when distributed.

xiii Expense Recognition

- a) Profit on mudaraba payable (banks and non-banks)
Profit on these is accrued on a time-apportioned basis over the period of the contract based on the principal amounts outstanding.
- b) Return on Equity of Investment Account Holders
Return on equity of investment account holders is based on the income generated from jointly financed assets after deducting Mudarib share and is accrued based on the terms and conditions of the underlying Mudaraba agreement. Investors' share of income represents income generated from assets financed by investment account holders net off allocated administrative expenses and provisions. The bank's share of profit is deducted from the investors' share of income before distribution to investors.

m Transactions in Foreign Currencies

- i The financial statements are presented in Nigerian Naira, which is the reporting currency in line with IAS21 (Effects of foreign exchange)
- ii Transactions in foreign currencies are recorded in the books at the rate of exchange ruling on the date of the transactions.
- iii Monetary assets and liabilities denominated in foreign currencies are converted into Naira at the rate of exchange ruling at the balance sheet date. All differences are to be taken to the statement of income.

iv Non-monetary items that are measured in terms of historical cost in a foreign currency are translated into Naira using the exchange rates as at the dates of the initial recognition. Non-monetary items measured at fair value in a foreign currency are translated into Naira using the exchange rates at the date when the fair value is determined. Exchange gains and losses on non-monetary items classified as “fair value through statement of income” are taken to the income statement and for items classified at “fair value through equity” such differences are taken to the statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at closing rate.

n Taxation

i Current Income Taxation

Income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with current statutory rate. Income tax payable on profits, based on the applicable tax law, is recognized as an expense in the period in which the related profits arise. All taxes related issues including deferred tax are treated in accordance with IAS 12 (Income taxes).

ii Deferred Taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the temporary differences between the net book value of qualifying fixed assets and their corresponding tax written down value in accordance IAS 12 (Income taxes). The principal temporary differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits, provisions for Investment losses and tax losses carried forward. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the timing differences can be utilized.

o Investments

i Investment Securities

Investment securities are initially recognized at cost and management determines the classification at initial investment. Investments in securities are classified, measured and recognize in accordance with IAS 39 (Financial Instruments measurement and recognition).

ii Investments at Fair Value through Statement of Income

Investments at fair value through statement of income include investments designated upon initial recognition as investments at fair value through statement of income. Financial assets carried at fair value through statement of income are recognised at fair value, with transaction costs recognised in the consolidated statement of income.

Investments classified as 'at fair value through statement of income' are subsequently measured at fair value. The unrealized gains and losses arising from the remeasurement to fair value are included in the consolidated statement of income.

iii Investments at Fair Value through Equity

Investments at fair value through equity are those which are designated as such or are not classified as carried at fair value through statement of income. These include investments in equity securities and managed funds.

After initial measurement, investments at fair value through equity are subsequently measured at fair value. Unrealised gains and losses are recognised in statement of comprehensive income and then transferred to the available for sale reserve in the consolidated statement of changes in equity. When the investment is disposed of or determined to be impaired, the cumulative gain or loss, previously transferred to the available for sale, reserve is recognised in the consolidated statement of income. Where the Bank holds more than one investment in the same security they are deemed to be disposed off on a weighted average basis. Profit earned whilst holding investments at fair value through equity is reported as Income from investment activities' using the effective profit rate method. Long-term investments are investments held over a long period of time to earn income. Long-term investments may include debt and equity securities.

iv Investments in Subsidiaries

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

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

p Retirement Benefits

Retirement benefits to employees are provided under a defined contribution scheme, which is funded by contribution from the bank and employees. Funding under the new scheme is 8.0% by staff and 10% by the Bank based on annual basic salary, housing and transport allowances in line with the new Pension Reform Act, 2014. Membership of the scheme is automatic upon resumption of duty with the Bank. The Bank has no further payment obligations once the contributions have been paid.

The Bank's liabilities in respect of the defined contribution are to be charged against the profit of the year in which they become payable. Payments are made to Pension Fund Administration companies, who are financially independent of the bank.

q Provisions, Contingent Assets and Contingent Liabilities

Provision is recognized when the Bank has a present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably measured, in accordance with the International Financial Reporting Standards (IAS 37).

Transactions that are not currently recognized as assets or liabilities in the balance sheet, but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions included letters of credit, bonds, guarantees, acceptances, trade related contingencies such as documentary credits etc.

Outstanding and unexpired commitments at year end in respect of these transactions are to be shown by way of note to the financial statements.

Income on off-balance sheet engagement is in form of commission and fees.

Commission and fees are recognized when transactions are executed.

r Borrowings

i Murabaha and Due to Banks

This represents funds received from banks on the principles of murabaha contracts and are stated at fair value of consideration received less amounts settled.

ii Murabaha and due to non-banks

These are stated at fair value of consideration received less amounts settled. Profit paid on borrowings is recognized in the statement of income for the year.

s Fiduciary Activities

The Bank acts as trustee in its capacity as a Mudarib when managing the equity of investment account holders. Equity of investment account holders is invested in murabaha and due from banks, sukuk and financing contracts with customers. Equity of investment account holders is carried at fair value of consideration received less amounts settled. Expenses are allocated to investment accounts in proportion of average equity of investment account holders to total average assets of the Bank.

Income is allocated proportionately between equity of investment account holders and owners' equity on the basis of the average balances outstanding during the year and share of the funds invested. Equity and assets of restricted investment account holders are carried off-balance sheet as they are not assets and liabilities of the Bank.

t Segment Reporting

The Bank prepares its segment information based on geographical and business segments as primary and secondary reporting segments, respectively in accordance with IFRS 8 (Operating segments).

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

The Bank has appointed the Management committee charged with the responsibility of allocating resources and assessing performance as the Chief Operating Decision Maker as required under IFRS 8. The CODM is reviewed and advised by the Board for decisions on significant transactions and or events

u Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right or shariah requirement 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.

v Cash and Cash Equivalent

Cash comprises:

- i** Cash in hand
- ii** Balance held with Central Bank of Nigeria
- iii** Balance with banks in Nigeria and outside Nigeria
- iv** Demand deposit denominated in Niara and other foreign currencies

Cash equivalent are short term, highly liquid instruments which are:

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

w Ordinary Share Capital

i Share Issue Costs

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

ii Dividend on Ordinary Shares

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

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

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

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

3 Cash and Balance with Central Bank of Nigeria	2017	2016
	N'000	N'000
Cash on Hand	2,918,371	2,035,620
Current account with CBN	9,111,433	5,671,957
Deposit with CBN	13,640,247	12,060,165
At 31 March	25,670,051	19,767,742

Cash on hand constitutes the aggregate cash balances in the vaults of the Bank branches while deposits with the Central Bank of Nigeria represent Mandatory Reserve Deposits (as prescribed by the CBN) and are not available for use in the bank's day-to-day operations.

4 Due from Banks and Financial Institution	2017	2016
	N'000	N'000
Balance with banks within Nigeria:		
First Bank Plc	635,818	670,585
Other Banks	1,806,573	-
Unity Bank Plc	-	-
a	2,442,391	670,585
Balance with banks outside Nigeria:		
First Bank UK	47,173	63,810
Habib Bank UK	3,729,803	511,938
Commerzbank AG	- 3,719	671,485
Standard Chartered	1,902,414	374,418
Bank Al-Bilad	-	-
b	5,675,671	1,621,651
At 31 March	a+b 8,118,062	2,292,236

The balance held with Banks outside Nigeria substantially represent the Naira equivalent of Foreign Currency balance held on behalf of Customers in respect of Letter of Credit transactions. The corresponding Liability is included in Margin Deposits under "Other Liabilities" (see Note 18). The amount is not available for the day to day operations of the Bank.

5 InterBank Murabaha	2017	2016
	N'000	N'000
InterBank Murabaha	1,054,247	-
InterBank Murabaha Deferred Profit	(54,247)	-
At 31 March	1,000,000	-

5 Sukuk	2017	2016
	N'000	N'000
Opening Balance	1,060,252	1,242,396
Addition during the year	-	(43,093)
Part Liquidation during the period	(49,810)	-
At 31 March	1,010,442	1,199,303

In 2013 the Bank invested N1,000,000,000 in a sukuk issued by Osun State Government at 14.5% Return on Investment. In 2014 the Investment was increased to N2,400,000,000 through Secondary Market purchase. The Sukuk has a seven-year Tenor with terminal date of 2020. Principal Repayment will commence from January 2015. And the InterBank Murabaha is between the Bank Steering Islamic window, it was granted to Sterling Bank Customer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST March, 2017

6 Murabaha Recievables	2017	2016
	N'000	N'000
Murabaha Retail	4,101,276	2,836,716
Murabaha Corporate	14,317,768	10,131,187
Murabaha Staff	8,941	14,289
Murabaha Related Party	16,638	16,278
Gross Recievable	18,444,623	12,998,470
Allowance for impairment	(143,524)	(281,875)
Deffered Profit	(1,575,399)	(1,372,833)
At 31 March	16,725,700	11,343,762

7 Investment in Musharaka	2017	2016
	N'000	N'000
Gross Investment in Musharaka	1,200,000	650,000
Allowance for impairment	(8,296)	(6,500)
At 31 March	1,191,704	643,500

8 Investment in Qard Hassan	2017	2016
	N'000	N'000
Share loan to staff	139,680	139,680
Loan to customers	50,000	-
Gross investment in Qard Hassan	172,313	139,680
Allowance for impairment	(1,000)	-
At 31 March	171,313	139,680

9 Investment in Istisna	2017	2016
	N'000	N'000
Istisna Recievable	1,084,664	1,138,789
Allowance for impairment	(123,889)	(487,414)
Deffered Profit	(189,102)	(127,268)
At 31 March	771,673	524,107

10 Investment in Ijara Asset	2017	2016
	N'000	N'000
Ijara wa Iqtina	13,075,740	12,929,395
Ijara home finance	25,159	27,090
Ijara Auto & Others	254	2,575
Ijara Others	580,270	293,581
Gross investment in Ijara	13,681,423	13,252,641
Allowance for impairment	(188,132)	(78,632)
At 31 March	13,493,291	13,174,009

11 Investment in Asset Held for Sale	2017	2016
	N'000	N'000
Advance for L.C Murabaha-in-Transit	-	402,354
Inventory-Murabaha Corp. Finance	1,175,758	-
At 31 March	1,175,758	402,354

JAIZ BANK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2017**

12 Property, Plant and Equipment

	Freehold Land	Building Freehold	Office Equipment	Motor Vehicle	Furnitures and Fixtures	Computer Equipment	Library Books	Fixed Assets WIP	Total
Cost	₺' 000	₺' 000	₺' 000	₺' 000	₺' 000	₺' 000	₺' 000	₺' 000	₺' 000
1 January 2017									
Cost	1,000	460,849	491,761	303,315	149,741	1,374,232	-	214,272	2,995,170
Additions/Reclassification	-	1,700	27,292	50,780 #	1,127	6,861	-	(20,312)	67,448
31 March 2017	1,000	462,549	519,053	354,095 #	150,868	1,381,093	-	193,960	3,062,618

Accumulated depreciation

1 January 2017	-	7,520	190,067	143,119	86,416	675,078	-	-	1,102,200
Depreciation	-	-	15,795	15,743 #	8,117	51,865	-	-	91,520
Adjustment	-	(3,512)	-	- #	-	8,434	-	-	4,922
31 March 2017	-	4,008	205,862	158,862	94,533	735,377	-	-	1,198,642

Cost

1 January 2016

Cost	-	-	-	-	-	-	-	-	-
Additions/ Reclassification	144,727	130,924	279,853	240,185	130,238	1,332,372	350	-	2,258,649
Disposals	-	-	-	-	-	-	-	-	-
31 March 2016	144,727	130,924	279,853	240,185	130,238	1,332,372	350	-	2,258,649

Accumulated depreciation

1 January 2016

1 January 2016	-	-	-	-	-	-	-	-	-
Depreciation	-	-	11,974	9,169	6,482	54,086	22	-	81,733
Disposals	-	3,571	58,722	96,958	60,921	469,086	130	-	689,388
31 March 2016	-	3,571	70,696	106,127	67,403	523,172	152	-	771,121

Netbook value

31 March 2017	1,000	458,541	313,191	195,233	56,335	645,716	-	193,960	1,863,976
31 March 2016	144,727	127,353	209,157	134,058	62,835	809,200	198	-	1,487,528

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

13	Leasehold Improvement	2017	2016
		N'000	N'000
	Balance at 1 January	736,837	-
	Adjustments		
	Addition	58,722	736,837
	Balance at 31 March	795,559	736,837
	Amortisation		
	Balance at 1 January	672,773	-
	Adjustments	79,337	646,592
	Amortisation for the year	12,042	26,181
	Balance at 31 March	764,152	672,773
	Carrying amounts		
	Balance at 31 March	31,407	64,064
14	Intangible Assets	2017	2016
		N'000	N'000
		Computer software	Computer software
	Cost		
	Balance at 1 January	423,916	-
	Addition	139,326	423,916
	Disposal	-	-
	Balance at 31 March	563,242	423,916
	Amortisation and impairment losses		
	Balance at 1 January	129,187	-
	Amortisation for the year	14,081	10,348
	Reclassification	65,966	118,839
	Balance at 31 March	209,234	129,187
	Carrying amounts		
	Balance at 31 March	354,008	294,729

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

15 Other Assets	2017	2016
	N'000	N'000
Sundry Debtor	232,766	451,316
Prepaid Sukuk Premium	64,078	82,386
Other prepayments	571,623	549,552
Prepaid Staff	171,502	447,738
Inventory-Cheques, Printing and ATM Card	43,282	70,343
Due from staff	-	-
Branch development expenditure	251,865	546,131
Account recievables	1,527,791	2,397,657
Ijara accrued Profit	2,240,094	965,378
Due from Banks - ATM Transactions	20,691	23,708
Cash Shortage	-	81
Operating Suspense	237,080	129,285
Interbranch	49,613	199,492
Total	5,410,385	5,862,905
Impairment of Other Assets	(62,271)	(88,165)
Balance at 31 March	5,348,114	5,774,740

Movement in impairment of other assets:

	2017	2016
	N'000	N'000
Balance at 1 January	5,774,740	-
Charge for the year	(364,355)	5,862,905
Impairment of Other Assets	(62,271)	(88,165)
Balance at 31 March	5,348,114	5,774,740

JAIZ BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

16a Taxation

i) Statement of Financial position	2017	2016
	N'000	N'000
Balance brought forward	77,748	-
Prior Year Tax Adjustment	-	-
Charge for the year	-	-
	<u>77,748</u>	<u>-</u>
Add under provision in previous years	-	-
Taxation	77,748	-
Less payment for the year	-	-
Balance at 31 March	77,748	-

ii) Income statement	2017	2016
	N'000	N'000
Company income	-	-
Education tax	-	-
Information technology levy	-	-
	<u>-</u>	<u>-</u>
Deferred tax expenses		
Deferred tax expenses	-	-
Balance at 31 March	-	-

16b Deferred Taxation	2017	2016
	N'000	N'000
Balance at 1 January	1,772,577	1,566,003
Provision for the year	-	-
Balance at 31 March	1,772,577	1,566,003

(b) Reconciliation of effective tax rate	2017	2016
	N'000	N'000
Profit for the period	203,679	73,841
Profit excluding income tax	203,679	73,841
Income tax using the Company's domestic tax rate	65,177	23,629
Non-deductible expenses*	-	-
Tax incentives (investment allowance)	-	-
Balance at 31 March	65,177	23,629

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

17 Due to customers	2017	2016
	N'000	N'000
Analysis by type of account		
(17a) Current Account	31,430,698	20,654,025
(17b) Mudaraba Investment Account	27,915,021	25,690,950
(17c) Mudaraba Term deposit	2,771,674	-
Balance at 31 March	62,117,393	46,344,975

Analysis by type of Depositor	2017	2016
	N'000	N'000
Government	1,356,751	1,587,421
Corporate	23,194,341	14,998,378
Individual	37,566,301	29,759,176
Balance at 31 March	62,117,393	46,344,975

Analysis by maturity

All the customers deposit are analysed by maturity into Current and Savings as follows:

	2017	2016
	N'000	N'000
Current Deposits	31,430,698	20,654,025
Savings Deposits	13,835,245	11,995,864
30days Deposits (JAPSA)	14,079,776	13,695,086
60days Mudaraba Term Deposit	2,771,674	-
Balance at 31 March	62,117,393	46,344,975

The Bank has completed arrangement to introduce Mudarabah Tenored Deposits which will give customers the opportunity to choose from a basket of Return available for different tenors.

(17b) Equity of Investment Accountholders	2017	2016
	N'000	N'000
Savings Account	12,607,596	11,075,667
Children saving Account	650,875	554,248
Jaiz premium Savings Account	14,079,776	13,695,086
Others including MTDS	3,054,492	365,949
Balance at 31 March	30,392,739	25,690,950

18a Other Financing	2017	2016
	N'000	N'000
Fund Sources Outside the Bank (CBN/CACS)	-	-
Balance at 31 March	-	-

18b Other Liabilities	2017	2016
	N'000	N'000
MC/Margin Deposits	845,545	1,329,800
Accounts Payable	256,420	112,705
Vendors payable	(19,708)	(981,337)
Other Tax Liabilities	40,890	85,580
Profit payable to Mudararaba Savings Account	28,958	328
e-Banking Payables	49,640	10,255
Due to Charity	5,933	452
Sundry Payables	239,949	316,451
Accrued audit fee	19,695	16,110
Sundry Deposit	14,628	12,481
Due to Mudaraba Depositors	-	-
Other Accruals	9,928	145,709
Other Payables	97,591	28,574
Balance at 31 March	1,589,469	1,077,108

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

19 Owners Equity

A Share capital

(i) Authorised	2017	2016
	N'000	N'000
13,000,000,000 Ordinary shares of N1 each (31 March 2014: 13,000,000,000 of N1 each)	13,000,000	13,000,000
	13,000,000	13,000,000

(ii) Issued and Fully paid Share capital	2017	2016
	N'000	N'000
11,747,297,000 Ordinary shares of N1 each At 1 January	14,732,125	-
Balance at 31 March	14,732,125	11,829,700

The movement on the issued and fully paid up share capital account during the year was as follows:

	2017	2016
	N'000	N'000
Balance at 1 January	14,732,125	11,829,700
Issued during the year	-	-
Adjustment	-	-
Balance at 31 March	14,732,125	11,829,700

20 Share Premium	2017	2016
	N'000	N'000
4,215,259,125 shares issued at 15 kobo premium during the 2012 financial year	627,365	632,289
CBN Provisison (Due from Shareholders)	-	-
Balance at 31 March	627,365	632,289

JAIZ BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

21 Retained Earnings	2017	2016
Balance at 1 January	(2,103,858)	(1,427,183)
Adjustment of pre-operational reserve	-	-
Net profit for the year	203,679	73,841
Prior year adjustments	-	27,563
Risk regulatory reserve	-	-
Statutory reserve	-	-
Balance at 31 March	(1,900,179)	(1,325,779)

22 Risk Regulatory Reserve	2017	2016
	N'000	N'000
Balance at 1 January	1,360,774	115,465
Adjustment against retained earnings	-	-
Balance at 31 March	1,360,774	115,465

ii Statutory Reserve	2017	2016
	N'000	N'000
Balance at 1 January	93,381	-
Provisions	-	-
Balance at 31 March	93,381	-

The Risk Regulatory Reserve is created as required by the Central Bank of Nigeria (CBN) Prudential Guideline section 12.4(a)(i). This is a non distributable reserve which represents the difference between impairment of Risk Asset under IFRS Rules and provisioning under CBN Prudential Guidelines. There was no significant difference between the CBN recommended provision and that of IFRS requirement during the year, hence there was no transfer.

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

23	Income from Islamic Finance	2017	2016
		N'000	N'000
	Murabaha profit Corporate	615,031	342,832
	Murabaha profit Retail	178,905	107,544
	Murabaha Trade Finance	440	210
	Total profit from Murabaha transactions	794,376	450,586
	Ijara wa Iqtina Profit	623,609	741,505
	Ijara Finance Lease Profit	28,661	6,069
	Ijara profit home finance	358	433
	Ijara Others	256	7
	Total profit from Ijara transactions	652,884	748,000
	Istina Profit	27,539	35,221
	Musharaka Profit	54,356	28,812
	InterBank Murabaha Income	14,767	-
	Total Income from financing	1,543,922	1,262,619
<hr/>			
24	Income from investment activities	2017	2016
		N'000	N'000
	Trading Assets Income	37,500	-
	Sukuk profit	42,223	50,104
	Total Investment income	79,723	50,104
<hr/>			
25	(i). RETURN ON EQUITY OF INVESTMENT ACCOUNT HOLDERS	2017	2016
		N'000	N'000
	Profit paid to Unrestricted Mudarabah Account Holders / Fees of Mudarib	285,900	270,433
	Profit from Financing Investments paid to Mudarabah Account Holders	285,900	270,433
<hr/>			
	(ii) Mudarib fees/ profit of Joint Investments		
	Bank's fees as Mudarib.	575,975	607,554
	Profit from the Bank's Joint Financing investments	761,770	434,736
	Bank's fee as Mudarib/Profit of owned Joint Investmets	1,337,745	1,042,290

The Bank operates the Unrestricted type of Mudaraba Investment, in which the Mudarib (the Bank) is authorized by the providers of Funds (Rabbul Mal) to invest their funds in the manner which the Mudarib deems appropriate. Profits are shared as a common Percentage Rate rather than a Fixed amount. The Investments were jointly funded by the Bank and the Equity of Investment Account holders. The amount of N285.90 Million was paid by the Bank to the Mudaraba Account Holders for first quarter 2017

JAIZ BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

26 Fee and commission	2017	2016
	N'000	N'000
Banking Service Fees	113,618	64,463
Foreign Exchange Commissions	60,867	13,699
Trade Finance Fees	18,667	7,589
	193,152	85,751

The charges for COT were discontinued effective from July, 2013 in compliance to the directives of CBN and verdict of the Banks Shariah Advisory Committee of Expert (ACE) that it is not in compliance to the principle of Non Interest Banking.

27 Other Operating Income	2017	2016
	N'000	N'000
Wakala income	20,000	13,850
	20,000	13,850

Other operating income includes fees earn from Wakala Transactions, other operating fees and recovery of Financing Impairment from Saving Account Holders in line with AAOFI Financial Standard.

28 Non Trading Exchange (Loss)/Gain

The Banks' Accounting Policy provides that Monetary Assets & Liabilities denominated in Foreign Currencies been converted in to Naira at the rate of exchange ruling at the balance sheet date and any difference thereof be taken to the Income Statement.

29 Staff costs	2017	2016
	N'000	N'000
Salaries	293,302	272,446
Staff pension	74,621	41,530
Staff allowances	81,887	129,912
Medical and other allowance	40,718	24,409
Training and Seminar expenses	22,061	6,461
	512,589	474,758

30 Depreciation and Amortisation	2017	2016
	N'000	N'000
Depreciation of Property, Plant & Equipment	108,388	81,733
Amortisation of Leasehold Improvement	12,042	26,181
Amortisation of Intangible Assets	14,081	10,348
	134,511	118,262

JAIZ BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

31 Other Expenses	2017	2016
	N'000	N'000
Advertising and marketing	28,073	52,642
Administrative - note 31 (i)	410,785	222,645
Subscription and Professional fees	3,525	5,937
Provision of Banking Sector Resolution Cost Trust Fund	-	-
ACE's Expense	14,896	6,369
Rental charges (Occupancy Cost)	57,956	47,364
Licences	3,243	25,164
Bank Charges	15,237	8,880
Audit fee & Other Expenses	9,000	7,000
Directors expenses	41,740	35,532
Others	10,663	-
	595,118	411,533

31 (i) Administrative	2017	2016
	N'000	N'000
Telephone expenses	513	6,542
Internet connection	46,179	33,129
SWIFT/NIBBS Charges	5,240	7,104
Courier charges	4,613	1,437
Local and foreign travels	14,455	13,921
Printing & Stationeries	9,364	7,938
Repairs and maintenance	3,125	9,660
Security Guards	4,853	8,785
Other security expenses	8,882	6,245
Money and other Insurance	5,049	5,207
NDIC Premium	54,000	34,000
Fuel Expense	4,401	2,715
Vehicle repairs	3,970	1,382
Service contract (HR and Admin)	58,093	23,217
Data recovery and other software exp	41,666	12,840
Donation	100	202
Newspaper, Magazine & Periodicals	453	228
Entertainment	1,221	2,601
Sundry expenses	3,564	2,910
Cash shortage W/O	82	56
Technical service	72,786	1,200
Generator expenses	20,035	4,592
Cleaning expnses	657	5,192
ATM related expenses	8,208	3,398
Sukuk Premium expenses	4,577	4,577
ISO 27001	1,826	14,395
Treasury expenses	10,480	-
E-Business expenses	19,113	-
Corporate and retail banking expenses	230	-
Regulatory expenses	3,050	9,172
	410,785	222,645

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2017

32 Provision for Finance Impairment of Financing and Investment

32 (a) PROVISION FOR IMPAIRMENT OF FINANCING AND INVESTMENT

Prudential Adjustment for the Year ended 31st March 2017

During the year under review, a sum of N1360.77m was transferred from Statement of Changes in Equity to Risk Regulatory

Provision on Risk Assets

	Specific	General	OKL	TOTAL
	N'000	N'000	N'000	N'000
Provision per CBN Prudential Guideline	1,050,958	774,657	62,271	1,887,886
Impairment Allowance per IAS 39 (Specific and Collective)	241,735	223,106	62,271	527,112
As at 31, March. 2017	809,223	551,551	-	1,360,774

32 (b) PROVISION FOR IMPAIRMENT OF FINANCING AND INVESTMENT

The Provision for impairment is based on the impairment test conducted by the Bank's Consultants in accordance with the International Accounting Standard (IAS 39). The first table is for the impairment while the second table is for the provision on Risk Assets in accordance to the Central bank of Nigeria's Prudential Guidelines. Under the total Colown in International Financial reporting Standard (IFRS) impairment table below, addition of the prior year over impairment charges and impairment for current year makes up the current year charges.

(i) Impairment Loss	
Credit	N'000
Murabaha	14,445
Musharaka	-
Qard Hassan	1,000
Istisna	-
Ijara	89,555
Total	105,000
Impairment Write Back (Murabaha)	-
	105,000
Other Assets (OKL)	-
	105,000

(ii) Impairment by Products (IFRS)

	<u>Murabaha</u>	<u>Musharaka</u>	<u>Qard Hassan</u>	<u>Istisina</u>	<u>Ijara</u>	<u>Other Assets</u>	<u>Total</u>
	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>
Balance at 1 January	129,079	8,296	-	123,889	98,577	62,271	422,112
Re-classification	-	-	-	-	-	-	-
Impairment for current year	14,445	-	1,000	-	89,555	-	105,000
Balance at 31 March	143,524	8,296	1,000	123,889	188,132	-	527,112

Notes 6 7 8 9 10 15

(iii) Provision by Products (CBN)

	<u>Murabaha</u>	<u>Musharaka</u>	<u>Qard Hassan</u>	<u>Istisina</u>	<u>Ijara</u>	<u>Other Assets</u>	<u>Total</u>
	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>
Balance at 1 January	819,591	24,000	2,554	287,372	587,099	62,271	1,782,887
Re-classification	-	-	-	-	-	-	-
Provision no Longer Required	-	-	-	-	-	-	-
Impairment for current year	14,445	-	1,000	-	89,555	-	105,000
Balance at 31 March	834,036	24,000	3,554	287,372	676,654	62,271	1,887,887

(iv) Impairment by Type

	<u>Murabaha</u>	<u>Musharaka</u>	<u>Qard Hassan</u>	<u>Istisina</u>	<u>Ijara</u>	<u>Other Assets</u>	<u>Total</u>
	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>
General Impairment	353,116	24,000	2,554	15,406	379,582	62,271	836,929
Specific Impairment	466,475	-	-	271,966	312,517	-	1,050,958
Balance at 31 March	819,591	24,000	2,554	287,372	692,099	62,271	1,887,887

33 SIGNIFICANT SHAREHOLDING (5% UNIT & ABOVE)	2017		2016	
	Holdings	%	Holdings	%
Dantata Investment & Securities Limited	1,410,209,270	12	1,923,220,476	16
Dantat Aminu Alhassan	618,136,207	5	-	-
Islamic Development Bank	1,002,160,494	8	1,002,160,494	9
Dangote Industries Ltd	1,000,000,000	8	1,000,000,000	9
Altani Investment Limited	800,000,000	7	800,000,000	7
Indimi Muhammadu	1,366,906,522	12	1,366,906,522	12
Mutallab Umaru Abdul	977,722,774	8	1,430,117,383	12
At 31 October	7,175,135,267	61	7,522,404,875	64

34 Earnings per share

Basic earnings per share

Basic earnings per share of N0.01kobo (2017:N0.01kobo) is based on the profit attributable to ordinary shareholders of 203679 (2017:N73841) and on the ordinary shares of 14732125 (2016:11829700).

Profit attributable to ordinary shareholders	2017	2016
	N'000	N'000
Profit for the period	203,679	73,841
Profit attributable to ordinary shareholders	203,679	73,841
Weighted average number of ordinary shares	2017	2016
	N'000	N'000
Issued ordinary shares at 1 January	14,732,125	11,829,700
Effect of share options exercised	-	-
31 March	14,732,125	11,829,700
Basic earnings per share	0.01	0.01

There have been no transactions during the year which caused dilution of the earnings per share.

JAIZ BANK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2017**

35 Related parties

- (i) Related parties: 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 investment as well as key management personnel.
- (ii) Transaction with key management personnel: The Bank's key management personnel, and persons connected with them, are also considered related parties. The definition of key management includes the close members family of key personnel and any entity over which key management exercise control. Close members family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Jaiz Bank plc and its related entities/parties.

ACCOUNT NAME	RELATED PARTY	RELATIONSHIP WITH THE BANK	N'000	2,017 N'000	CLASSIFICATION
			LIMIT	AMOUNT RECEIVABLE	
AHMAD RUFAI SANI	HRH ENGR. SANI BELLO	Director	77,500	68,210	Performing
AHMAD RUFAI SANI	HRH ENGR. SANI BELLO	Director	40,741	40,741	Performing
AHMAD RUFAI SANI	HRH ENGR. SANI BELLO	Director	456,260	456,260	Performing
BAZE UNIVERSITY LIMITED	NAFIU BABA-AHMAD	Director	113,087	113,087	Performing
BAZE UNIVERSITY LIMITED	NAFIU BABA-AHMAD	Director	40,000	40,000	Performing
BELLMARI ENERGY LIMITED	ALIKO DANGOTE	Director	5,945	5,945	Performing
BELLMARI ENERGY LIMITED	ALIKO DANGOTE	Director	284,330	284,330	Performing
BELLMARI ENERGY LIMITED	ALIKO DANGOTE	Director	590,878	590,878	Performing
DANTATA PLASTIC LTD	AMINU DANTATA	Director	30,835	30,835	Performing
DARUL HUDA FOUNDATION	AMINU DANTATA	Director	20,591	20,591	Performing
FURSA FOODS LTD	ALIKO DANGOTE	Director	14,351	14,351	Performing
FURSA FOODS LTD	ALIKO DANGOTE	Director	24,732	24,732	Performing
FURSA FOODS LTD	ALIKO DANGOTE	Director	46,084	46,084	Performing
FURSA FOODS LTD	ALIKO DANGOTE	Director	19,126	19,126	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,331	3,331	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,845	1,845	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	2,730	2,730	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	12,384	12,384	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	845	845	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,401	3,401	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,699	1,699	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	4,408	4,408	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,844	1,844	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,078	1,078	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	9,882	9,882	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	684	684	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,382	3,382	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	2,961	2,961	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	4,572	4,572	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	2,450	2,450	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,596	1,596	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	623	623	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	5,127	5,127	Performing

GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	7,374	7,374	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,854	3,854	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	8,299	8,299	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,869	1,869	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	751	751	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	2,336	2,336	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,263	3,263	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,494	3,494	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,973	1,973	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	9,305	9,305	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	10,888	10,888	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	9,207	9,207	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	2,235	2,235	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,384	1,384	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	13,449	13,449	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	550	550	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,199	3,199	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	5,703	5,703	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,321	1,321	Performing
HRH ENGR BELLO SANI	HRH ENGR. SANI BELLO	Director	80,250	80,250	Performing
MAHE MAHMUD ABUBAKAR	MAHE ABUBAKAR	Executive Director	1,618	1,618	Performing
MAHE MAHMUD ABUBAKAR	MAHE ABUBAKAR	Executive Director	49,663	49,663	Performing
MBS MERCHANTS LTD	FALALU BELLO	Director	197,203	197,203	Performing
MBS MERCHANTS LTD	FALALU BELLO	Director	440,640	440,640	Performing
MBS MERCHANTS LTD	FALALU BELLO	Director	78,690	78,690	Performing
MUKHTAR DANLADI HANGA SANI	MUKHTAR DANLADI HANGA SANI	Director	39,650	39,650	Performing
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	Chairman	265,736	265,736	Performing
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	Chairman	33,010	33,010	Performing
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	Chairman	9,388	9,388	Performing
PENMAN PENSIONS LIMITED	DR. UMARU ABDULMUTALLAB	Chairman	697	697	Performing
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	Director	630,000	630,000	Performing
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	Director	77,720	77,720	Performing
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	Director	78,105	78,105	Performing
UMARU ABDUL MUTALLAB	DR. UMARU ABDULMUTALLAB	Chairman	449,514	449,514	Performing
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	Chairman	33,010	33,010	Performing
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	Chairman	9,388	9,388	Performing
PENMAN PENSIONS LIMITED	DR. UMARU ABDULMUTALLAB	Chairman	697	697	Performing
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	Director	630,000	630,000	Performing
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	Director	77,720	77,720	Performing
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	Director	78,105	78,105	Performing
UMARU ABDUL MUTALLAB	DR. UMARU ABDULMUTALLAB	Chairman	449,514	449,514	Performing
			5,630,070	5,620,781	

ACCOUNT NAME	RELATED PARTY	RELATIONSHIP WITH THE BANK	2,016		CLASSIFICATION
			N'000	N'000	
			LIMIT	AMOUNT RECEIVABLE	
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	810	810	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	3,435	3,435	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	1,483	1,483	Performing
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	Chairman	2,541	2,541	Performing
			8,269	8,269	

All Investments granted to "Related Parties" were at the same terms & Conditions with those granted to Non-related Parties. The amounts shown as Receivables comprises of the principal investments and the profit

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH, 2017

36 INFORMATION REGARDING DIRECTORS

	2017	2016
	N'000	N'000
Chairman	1,250	1,250
Other directors (N500,000 each)	14,000	14,000
Emolument as executives	62,950	90,467
Highest paid director	32,611	31,192

No. of Directors excluding the chairman with gross emoluments within the following ranges were:

N	N	2017	2016
		Number	Number
5,000,000 -	10,000,000.00	-	-
10,000,001 -	15,000,000.00	-	-
15,000,001 -	above	2	2

37 INFORMATION REGARDING EMPLOYEES

The number of employees excluding Directors in receipt of emoluments excluding allowances in the following ranges were:

N	N	2017	2016
		Number	Number
Below -	400,000.00	7	256
400,001 -	500,000.00	80	53
500,000 -	600,000.00	51	27
600,000 -	700,000.00	64	11
700,000 -	800,000.00	3	-
800,000 -	900,000.00	-	-
900,000 -	1,000,000.00	-	-
1,000,000 -	5,000,000.00	183	22
5,000,000 -	10,000,000.00	2	-
Above -	10,000,000.00	-	-

Number of persons employed as at the end of the year were:

	2017	2016
	Number	Number
Managerial	58	57
Senior	125	127
Junior	205	182
	388	366

38 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting date which could have had a material effect on the financial statements as at 31 December 2016.

39 CARD ISSUANCE AND USAGE IN NIGERIA AS AT 31 MARCH 2017

In line with Sec.11 of the CBN' Circular on 'The Guidance for issuance and usage of cards in Nigeria, below is the Bank's information on it's Card

CARD TYPE	TRANSACTION	TRANSACTION
	VOLUMES	VALUE
		N'000
VERVE DEBIT C	305,292	3,939,675
MASTER CARD	87,305	1,053,985

40 COMPLAINTS DATA

In line with CBN circular Ref FPR/DIR/CIR/GEN/01/020, below are the customer complaints data for the year:

(i) ATM complaints data Oct- 31 Dec 2016

	AMOUNT	
	NUMBER	N'000
Number of complaints	1,303	22,422
Number of complaints resolved	1,287	22,055
Number of complaints unresolved	16	367

(i) ATM complaints data- 31 March 2017

	AMOUNT	
	NUMBER	N'000
Number of complaints received	1,402	29,733
Number of complaints resolved	1,386	29,221
Number of complaints unresolved	16	512

41 FINANCING ANALYSIS

(1) By Performance

	2017	2016
	N'000	N'000
Performing	33,157,580	27,127,342
Non Performing:		
Substandard	626,732	225,302
Doubtful	290,417	709,374
Lost	508,292	117,560
	34,583,021	28,179,579

(i) By Security

	2017	2016
	N'000	N'000
All Asset Debenure	592,481	251,939
Corporate Guarantee	914,393	359,617
Personal Guarantees	26,274	67,796
Pledge of Asset/Lien of Assets	784,680	348,982
Deposit of Title Deeds	474,642	158,874
Legal Mortgage	21,759,406	20,851,005
Equitable Mortgage	2,670,129	876,848
Salary Domiciliation/ lien of Assets	5,948,869	4,961,407
Post Dated Cheques	106,610	92,148
Clean/Staff Qard Hassan	172,313	139,680
Hypothication of Goods	907,782	6,372
Simple Deposit of Title	0	0
Irrevocable Standing Payment Order/Letter of comfort	217,577	54,513
Domiciliation of Contract proceeds	7,865	10,398
	34,583,021	28,179,579

(ii) By Location

	2017	2016
	N'000	N'000
Head Office	2,727,810	3,099,108
Abuja	12,664,538	10,978,442
Kano	2,548,486	2,478,113
Kaduna	2,595,968	2,009,287
Gombe	284,368	389,461
Maiduguri	44,085	171,724
Kano 2	3,017,824	2,933,612
Katsina	2,067,956	1,383,407
NAASS	1,405,628	1,169,755
Wuse	2,919,698	2,430,700
Gusau	833,960	311,951
ATBU	17,915	62,520
Sokoto	275,701	278,745
Zoo Road	415,441	3,748
Kabuga- Kano	47,285	47,883
NNPC	462,288	242,963
Bauchi	57,976	30,540
Yola	172,456	7,957
Kaduna 2	42,815	3,637
Bannex	60,167	6,343
Ikeja	1,479,317	-
Ibadan	4,030	-
Ilorin	162,295	-
Gwarimpa	67,943	-
Samaru	26,084	-
Hotoro	8,672	-
Staff Qard	172,313	139,680
	34,583,021	28,179,579

(iv) By Product

	2017	2016
	N'000	N'000
Murabaha Corporate	8,993,428	3,717,306
Ijarah Wa Iqina Corporate	6,451,163	6,933,748
Musharakah	1,200,000	650,000
Qard Hassan	172,313	139,680

Murabaha Household Appliance	151,787	84,835
Murabaha Auto Finance	1,471,554	1,025,288
Ijarah Auto Finance	36,713	10,297
Ijarah Home Finance	6,176,622	5,173,447
Ijarah Service	1,019,033	1,135,152
Murabaha Retail/Gen.	7,825,746	8,171,038
Istisna	1,084,663	1,138,789
	34,583,021	28,179,579

	2017	2016
	N'000	N'000
(v) By Sector		
Agriculture	2,857,847	1,954,064
Real estate	8,479,743	7,312,125
Manufacturing	718,706	188,424
Education	1,133,742	1,323,188
Wholesale trading	-	-
Construction	2,591,947	2,147,821
	5,501,632	5,369,769
Information technology	341,369	371,479
General	8,109,044	5,608,769
Oil and Gas	4,702,906	3,054,798
Retail	-	0
	2,606	13,848
Transport	143,480	835,293
	34,583,021	28,179,579

	2017	2016
	N'000	N'000
(vi) By Category		
Corporate	24,593,365	20,180,739
Retail	9,989,656	7,998,839
	34,583,021	28,179,579

	2017	2016
	N'000	N'000
(vii) By Age		
0 - 30 days	103	450
31 - 60 days	121,234	99,600
61 - 90 days	1,142,596	189,603
91 - 180 days	1,243,025	930,873
180 - 360 days	6,469,507	4,100,172
Over 360 days	25,606,557	22,858,881
	34,583,021	28,179,579

42 LEGAL CLAIMS, CONTINGENT LIABILITIES AND COMMITMENTS

During the Year under review the Bank in its ordinary course of business was involved in 6 cases. The Directors having sought the opinion of professional legal counsel are of the opinion that based on the advice received, no significant liability will crystallise from these cases.

	2017	2016
	N'000	N'000
(ii) Contingent Liabilities		
Advanced Payment Guarantees	1,548,475	1,149,897
Letters of Credit	4,480,046	750,609
Bonds and Guarantees	1,791,172	1,215,951
	7,819,393	3,116,456

43 (iii) Capital Commitments

There were no capital commitments at the end of the reporting period of 31 March 2017.

(iv) Guarantees and other Financial Commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the company's financial position,

The Investments in Islamic Finance are shown here as Gross, while on the face of Statement of Financial position they are shown as Net of Impairment and Deferred Profit, in line with AOAIFH requirements. This account for the difference between the Balance sheet size in the

44 CONTRAVENTION OF CBN GUIDELINES

	2017	2016
	N'000	N'000
Due Diligence KYC violation and improper Politically Exposed Person (PEP) approval	-	4,000
Non implementation of AML/CFT training program and Enhanced Due Diligence in respect of PEP	-	2,000
Non-Monitoring of CCO's Transaction by Internal Audit	-	2,000
Breach of CBN Foreign Exchange Trading Position procedure	2,000	-
Untimely Resubmission of eFASS daily returns for the period 3rd and 25th January 2016	50	-
Disbursement to State Government before DMO approval	2,000	-
	4,050	8,000

45 COMPARATIVE FIGURES

Certain comparative figures have been restated where necessary for a more meaningful comparison

46 EMPLOYEE BENEFIT PLANS

	2017	2016
	N'000	N'000
Opening defined contribution obligation	15,691	16,331
Charge for the year	11,628	14,611
Payment to Fund administrator	(15,375)	(13,377)
As at 31, March	11,944	17,566

A defined contribution plan is a pension plan under which the Bank pays contributions at a fixed rate. The Bank does not have any legal or constructive obligation to pay benefits to employees or their dependants if they do not work for the Bank at the time that the benefits are due. The total expense charged to income for the year was N60,110kobo.

(i) Defined Benefit Plans

A Defined Benefit Plan is a pension plan that defines an amount of pension benefit that an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary. The Bank does not currently operate a Defined Benefit Plan and therefore does not have any obligation (legal or constructive) in this regard.