

FCMB Group Plc
Unaudited Interim Financial Statements
For the period ended 30 September 2017

FCMB GROUP PLC
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

In thousands of Naira	Note	GROUP		COMPANY	
		9months ended 30 September 2017	9months ended 30 September 2016	9months ended 30 September 2017	9months ended 30 September 2016
Gross earnings		118,816,100	140,727,162	921,013	3,308,453
Interest and discount income	8	96,276,569	93,235,908	647,996	410,879
Interest expense	9	(46,374,749)	(40,039,230)	-	-
Net interest income		49,901,820	53,196,678	647,996	410,879
Fee and commission income	11	15,549,324	13,373,551	-	-
Fee and commission expense	11	(3,811,484)	(2,690,160)	(8)	(66)
Net fee and commission income		11,737,840	10,683,391	(8)	(66)
Net trading income	12	1,725,774	581,783	-	-
Net income from other financial instruments at fair value through profit or loss	13	103,383	(13,133)	-	-
Other income	14	5,161,050	33,549,053	273,017	2,897,574
		6,990,207	34,117,703	273,017	2,897,574
Net impairment loss on financial assets	10	(12,653,298)	(34,496,735)	-	(450,000)
Personnel expenses	15	(16,720,361)	(18,702,003)	(153,972)	(202,139)
Depreciation & amortisation expenses	16	(3,911,210)	(3,313,579)	(16,606)	(18,776)
General and administrative expenses	17	(19,078,067)	(18,671,345)	(325,063)	(269,994)
Other operating expenses	18	(9,593,909)	(8,638,562)	(174,063)	(549,617)
Results from operating activities		6,673,022	14,175,548	251,301	1,817,861
Share of post tax result of associate	29	168,406	-	-	-
Profit before minimum tax and income tax		6,841,428	14,175,548	251,301	1,817,861
Minimum tax	20	(675,000)	(962,676)	-	-
Income tax expense	20	(697,483)	(231,740)	-	-
Profit for the period		5,468,945	12,981,132	251,301	1,817,861
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		29,200	4,479,937	-	-
Net change in fair value of available-for-sale financial assets	26(g)	691,331	(2,994,270)	-	-
		720,531	1,485,667	-	-
Other comprehensive income for the period, net of tax		720,531	1,485,667	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,189,476	14,466,799	251,301	1,817,861
Profit attributable to:					
Equity holders of the Company		5,468,945	12,981,132	251,301	1,817,861
Non-controlling interests		-	-	-	-
		5,468,945	12,981,132	251,301	1,817,861
Total comprehensive income attributable to:					
Equity holders of the Company		6,189,476	14,466,799	251,301	1,817,861
Non-controlling interests		-	-	-	-
		6,189,476	14,466,799	251,301	1,817,861
Basic and diluted earnings per share (Naira)	19	0.37	0.87	0.02	0.12

CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	NOTE	GROUP				COMPANY			
		3RD QTR ENDED		YEAR-TO-DATE ENDED		3RD QTR ENDED		YEAR-TO-DATE ENDED	
		2017 N'000	2016 N'000	2017 N'000	2016 N'000	2017 N'000	2016 N'000	2017 N'000	2016 N'000
Gross Earnings		41,307,746	52,444,206	118,816,100	140,727,162	352,065	856,310	921,013	3,308,453
Interest income	2	33,922,867	32,685,929	96,276,569	93,235,908	232,485	155,382	647,996	410,879
Interest expense	3	(16,517,770)	(16,033,268)	(46,374,749)	(40,039,230)	-	-	-	-
Net interest income		17,405,097	16,652,661	49,901,820	53,196,678	232,485	155,382	647,996	410,879
Fee and commission income	5	6,084,260	4,556,499	15,549,324	13,373,551	-	-	-	-
Fee and commission expense		(1,555,973)	(924,427)	(3,811,484)	(2,690,160)	-	(66)	(8)	(66)
Net fee and commission income		4,528,287	3,632,072	11,737,840	10,683,391	-	(66)	(8)	(66)
Net trading income		368,724	247,861	1,725,774	581,783	-	-	-	-
Net income/(losses) from financial instr. at fair value through profit or loss		(51)	7,840	103,383	(13,133)	-	-	-	-
Other revenue		931,946	14,946,077	5,161,050	33,549,053	119,580	700,928	273,017	2,897,574
Revenue		1,300,619	15,201,778	6,990,207	34,117,703	119,580	700,928	273,017	2,897,574
Net impairment loss on loans and advances, banks & other assets	7	(2,681,415)	(21,008,461)	(12,653,298)	(34,496,735)	-	-	-	(450,000)
Personnel expenses	8	(5,208,106)	(5,940,598)	(16,720,361)	(18,702,003)	(48,853)	(43,652)	(153,972)	(202,139)
Depreciation & amortisation expenses	4	(1,303,476)	(1,116,829)	(3,911,210)	(3,313,579)	(5,507)	(6,303)	(16,606)	(18,776)
Gen & Admin	8	(6,824,610)	(6,358,578)	(19,078,067)	(18,671,345)	(118,756)	(88,250)	(325,063)	(269,994)
Other expenses	8	(4,259,609)	(3,175,327)	(9,593,909)	(8,638,562)	(56,923)	(458,484)	(174,063)	(549,617)
Results from operating activities	8	2,956,787	(2,113,282)	6,673,022	14,175,548	122,026	259,555	251,301	1,817,861
Share of post tax result of associate		60,420	-	168,406	-	-	-	-	-
Profit before minimum tax and income tax		3,017,207	(2,113,282)	6,841,428	14,175,548	122,026	259,555	251,301	1,817,861
Minimum tax		(225,000)	(512,676)	(675,000)	(962,676)	-	-	-	-
Income tax expense		(342,112)	(61,057)	(697,483)	(231,740)	-	-	-	-
Profit for the period		2450095	(2,687,015)	5,468,945	12,981,132	122,026	259,555	251,301	1,817,861
Other comprehensive income, net of income tax:									
Foreign currency translation differences for foreign operations		(8245)	1,151,770	29,200	4,479,937	-	-	-	-
Net change in fair value of available-for-sale financial assets		238,080	(1,047,298)	691,331	(2,994,270)	-	-	-	-
Other comprehensive income for the period, net of tax		229,835	104,472	720,531	1,485,667	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,679,930	(2,582,543)	6,189,476	14,466,799	122,026	259,555	251,301	1,817,861
Profit attributable to:									
Equity holders of the Company		2,450,095	(2,687,015)	5,468,945	12,981,132	122,026	259,555	251,301	1,817,861
Non-controlling interests		-	-	-	-	-	-	-	-
		2,450,095	(2,687,015)	5,468,945	12,981,132	122,026	259,555	251,301	1,817,861
Total comprehensive income attributable to:									
Equity holders of the Company		2,679,930	(2,582,543)	6,189,476	14,466,799	122,026	259,555	251,301	1,817,861
Non-controlling interests		-	-	-	-	-	-	-	-
		2,679,930	(2,582,543)	6,189,476	14,466,799	122,026	259,555	251,301	1,817,861
Basic and diluted earnings per share (naira)		0.49	(0.54)	0.37	0.87	0.02	0.05	0.02	0.12

NOTES TO THE INTERIM FINANCIAL REPORTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	GROUP				COMPANY			
	3RD QTR ENDED		YEAR-TO-DATE ENDED		3RD QTR ENDED		YEAR-TO-DATE ENDED	
	2017	2016	2017	2016	2017	2016	2017	2016
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
2 Interest income								
Cash and cash equivalents	88,064	261,653	460,250	663,876	94,192	101,797	326,201	258,461
Loans and advances to customers	27,391,806	24,761,507	78,220,226	74,754,978	-	-	-	-
Investments in government & other securities:								
– Available for sale	2,732,456	2,131,218	6,115,509	5,704,766	-	-	-	-
– Held for trading	69,990	53,602	206,588	108,527	-	-	-	-
– Held to maturity	3,640,551	5,477,949	11,273,996	12,003,761	138,293	53,585	321,795	152,418
	33,922,867	32,685,929	96,276,569	93,235,908	232,485	155,382	647,996	410,879
3 Interest expense								
Deposits from banks	1,363,066	1,534,563	3,427,013	2,335,246	-	-	-	-
Deposits from customers	11,379,934	8,585,841	28,441,942	22,540,758	-	-	-	-
	12,743,000	10,120,404	31,868,955	24,876,004	-	-	-	-
Borrowings	469,339	3,749,154	6,288,767	9,035,752	-	-	-	-
Debt issues securities	2,093,959	1,894,557	6,213,727	5,403,061	-	-	-	-
Onlending facilities	1,211,472	269,153	2,003,300	724,413	-	-	-	-
	16,517,770	16,033,268	46,374,749	40,039,230	-	-	-	-
4 Impairment charge for credit losses								
Loans and advances to customers								
Increase in specific impairment	6,302,832	8,465,654	10,296,970	17,305,704	-	-	-	-
Increase in collective impairment	(2,989,583)	14,106,628	4,779,572	17,051,091	-	-	-	-
Reversal of specific impairment	-	-	-	(1,867,604)	-	-	-	-
Income received on claims previously written off	(519,694)	(237,906)	(2,798,709)	(1,235,630)	-	-	-	-
	2,793,555	22,334,376	12,277,833	31,253,561	-	-	-	-
Other assets & AFS								
Increase / (writeback) in impairment	(121,235)	(1,325,915)	366,370	2,793,174	-	-	-	-
Impairment for investment securities available for sale	9,095	-	9,095	-	-	-	-	-
Investment in subsidiary/Goodwill	-	-	-	450,000	-	-	-	450,000
	(112,140)	(1,325,915)	375,465	3,243,174	-	-	-	450,000
	2,681,415	21,008,461	12,653,298	34,496,735	-	-	-	450,000
5 Net fee and commission income								
Credit related fees	132,986	59,224	239,401	225,580	-	-	-	-
Account Maintenance	1,263,450	659,881	2,727,601	2,033,918	-	-	-	-
Letters of credit commission	301,967	199,233	762,647	492,121	-	-	-	-
Commission on off-balance sheet transactions	234,774	164,707	320,671	318,271	-	-	-	-
Cards & Service fees and commissions	4,151,083	3,473,454	11,499,004	10,303,661	-	-	-	-
Gross Fee and commission income	6,084,260	4,556,499	15,549,324	13,373,551	-	-	-	-
Card and other recoverable expenses	(1,387,526)	(807,482)	(3,425,085)	(2,308,477)	-	-	-	-
Other banks charges	(168,447)	(116,945)	(386,399)	(381,683)	-	(66)	(8)	(66)
Fee and commission expense	(1,555,973)	(924,427)	(3,811,484)	(2,690,160)	-	(66)	(8)	(66)
Net fee and commission income	4,528,287	3,632,072	11,737,840	10,683,391	-	(66)	(8)	(66)
Net trading income								
Foreign exchange trading income	17,575	-	368,177	-	-	-	-	-
Bonds trading (loss) / income	(50,404)	13,373	99,952	65,398	-	-	-	-
Treasury bills trading income	400,367	230,027	1,228,400	512,115	-	-	-	-
Equities trading income	1,186	4,461	29,245	4,270	-	-	-	-
	368,724	247,861	1,725,774	581,783	-	-	-	-
6 Net gains / (losses) from other financial instruments at fair value								
Net gains / (losses) arising on:								
Fair value instruments held for trading	-	-	-	-	-	-	-	-
Net gain / (losses) on investment securities	-	(35,496)	-	(35,496)	-	-	-	-
Fair value gain on derivative financial instruments held	(51)	56,827	103,383	56,827	-	-	-	-
Impairment for investment securities available for sale	-	(13,491)	-	(34,464)	-	-	-	-
	(51)	7,840	103,383	(13,133)	-	-	-	-
7 Other revenue								
Dividends on equity investment securities in the subsidiaries	-	-	-	-	106,492	-	106,492	150,000
Dividends on unquoted equity securities at cost	5,746	80,580	538,927	314,557	-	-	121,925	-
Foreign exchange gains	428,074	17,060,862	1,031,915	35,342,662	(1,779)	700,723	6,631	2,747,004
Profit on disposal of investment securities	-	(815,296)	-	(812,316)	-	-	-	-
Profit / (loss) on sale of property and equipment	(23,739)	(1,398,496)	1,055,808	(1,338,176)	-	205	46	570
Other income	521,865	18,427	2,534,400	42,326	14,867	-	37,923	-
	931,946	14,946,077	5,161,050	33,549,053	119,580	700,928	273,017	2,897,574
8 Other operating expenses								
Personnel expenses	5,208,106	5,940,598	16,720,361	18,702,003	48,853	43,652	153,972	202,139
Depreciation	1,013,480	969,832	3,073,494	2,889,603	5,266	6,062	15,884	18,054
Amortisation	289,996	146,997	837,716	423,976	241	241	722	722
Gen & Admin	6,824,610	6,358,578	19,078,067	18,671,345	118,756	88,250	325,063	269,994
Other expenses	4,259,609	3,175,327	9,593,909	8,638,562	56,923	458,484	174,063	549,617
	17,595,801	16,591,332	49,303,547	49,325,489	230,039	596,689	669,704	1,040,526
Earnings per share								
Profit attributable to equity holders of the Company	2,450,095	-2,687,015	5,468,945	12,981,132	122,026	259,555	251,301	1,817,861
Weighted average number of ordinary shares in issue (in '000s)	19,802,710	19,802,710	19,802,710	19,802,710	19,802,710	19,802,710	19,802,710	19,802,710
Basic earnings per share (expressed in Naira per share)	0.49	(0.54)	0.37	0.87	0.02	0.05	0.02	0.12

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

In thousands of Naira	Note	GROUP		COMPANY	
		30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
ASSETS					
Cash and cash equivalents	21	120,030,991	108,104,632	4,432,486	5,817,754
Restricted reserve deposits	22	89,547,089	139,460,914	-	-
Trading assets	23(a)	14,228,182	9,154,198	-	-
Derivative assets held for risk management	24	-	1,018,912	-	-
Loans and advances to customers	25	655,462,728	659,937,237	-	-
Assets pledged as collateral	27	80,862,730	59,107,132	-	-
Investment securities	26	109,031,436	128,441,676	5,679,212	4,844,200
Investment in subsidiaries	28	-	-	118,240,772	118,140,772
Investment in associates	29	869,469	846,512	418,577	418,577
Property and equipment	30	31,632,575	32,283,226	43,268	59,468
Intangible assets and goodwill	31	9,768,694	9,672,530	160	882
Deferred tax assets	32	7,974,379	7,971,990	-	-
Other assets	33	18,468,618	16,779,119	700,988	2,084,532
Total assets		1,137,876,891	1,172,778,078	129,515,463	131,366,185
LIABILITIES					
Trading liabilities	23(b)	7,711,941	6,255,933	-	-
Derivative liabilities held for risk management	24	-	770,201	-	-
Deposits from banks	34	22,195,636	24,798,296	-	-
Deposits from customers	35	636,276,093	657,609,807	-	-
Borrowings	36	116,751,940	132,094,368	-	-
On-lending facilities	37	57,124,710	42,199,380	-	-
Debt securities issued	38	56,469,970	54,481,989	-	-
Retirement benefit obligations	39	15,649	17,603	-	-
Current income tax liabilities	20(iv)	2,762,086	2,859,562	44,582	44,582
Deferred tax liabilities	32	65,902	65,902	-	-
Other liabilities	40	55,420,764	72,752,043	1,099,868	1,221,621
Total liabilities		954,794,691	993,905,084	1,144,450	1,266,203
EQUITY					
Share capital	41(b)	9,901,355	9,901,355	9,901,355	9,901,355
Share premium	43	115,392,414	115,392,414	115,392,414	115,392,414
Retained earnings	43	34,466,313	32,458,239	3,077,244	4,806,213
Other reserves	43	23,322,119	21,120,986	-	-
		183,082,200	178,872,994	128,371,013	130,099,982
Total liabilities and equity		1,137,876,891	1,172,778,078	129,515,463	131,366,185

**CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

GROUP									
In thousands of Naira									
	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Translation reserve	Available for sale reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2017	9,901,355	115,392,414	32,458,239	7,753,811	-	5,795,630	1,293,023	6,278,522	178,872,994
Profit for the period	-	-	5,468,945	-	-	-	-	-	5,468,945
Transfer to statutory reserve	-	-	(37,695)	37,695	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	29,200	691,331	-	720,531
Total comprehensive income for the period	-	-	5,431,250	37,695	-	29,200	691,331	-	6,189,476
Transactions with owners recorded directly in equity									
Contributions by and distributions									
Transfer to regulatory risk reserve	-	-	(1,442,907)	-	-	-	-	1,442,907	-
Dividend paid	-	-	(1,980,270)	-	-	-	-	-	(1,980,270)
Total Contributions by and distributions	-	-	(3,423,177)	-	-	-	-	1,442,907	(1,980,270)
Balance at 30 September 2017	9,901,355	115,392,414	34,466,313	7,791,506	-	5,824,830	1,984,354	7,721,429	183,082,200
Balance at 1 January 2016	9,901,355	115,392,414	17,181,437	6,014,583	-	1,576,155	1,389,402	10,935,941	162,391,287
Profit for the period	-	-	12,981,132	-	-	-	-	-	12,981,132
Transfer to statutory reserve	-	-	(272,679)	272,679	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	4,479,937	(2,994,270)	-	1,485,667
Total comprehensive income for the period	-	-	12,708,453	272,679	-	4,479,937	(2,994,270)	-	14,466,799
Transactions with owners recorded directly in equity									
Contributions by and distributions									
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	(1,980,270)	-	-	-	-	-	(1,980,270)
Subsidiaries transfer to other reserves	-	-	-	-	-	-	-	-	-
Total Contributions by and distributions	-	-	(1,980,270)	-	-	-	-	-	(1,980,270)
Balance at 30 September 2016	9,901,355	115,392,414	27,909,621	6,287,262	-	6,056,092	(1,604,868)	10,935,941	174,877,816

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 30 SEPTEMBER 2017

COMPANY									
In thousand of Naira									
	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Translation reserve	Available for sale reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2017	9,901,355	115,392,414	4,806,213	-	-	-	-	-	130,099,982
Profit for the period	-	-	251,301	-	-	-	-	-	251,301
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	251,301	-	-	-	-	-	251,301
Transactions with owners recorded directly in equity									
Contributions by and distributions									
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	(1,980,270)	-	-	-	-	-	(1,980,270)
Total Contributions by and distributions	-	-	(1,980,270)	-	-	-	-	-	(1,980,270)
Balance at 30 September 2017	9,901,355	115,392,414	3,077,244	-	-	-	-	-	128,371,013
Balance at 1 January 2016	9,901,355	115,392,414	3,056,224	-	-	-	-	-	128,349,993
Profit for the period	-	-	1,817,861	-	-	-	-	-	1,817,861
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	1,817,861	-	-	-	-	-	1,817,861
Transactions with owners recorded directly in equity									
Contributions by and distributions									
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	(1,980,270)	-	-	-	-	-	(1,980,270)
Total Contributions by and distributions	-	-	(1,980,270)	-	-	-	-	-	(1,980,270)
Balance at 30 September 2016	9,901,355	115,392,414	2,893,816	-	-	-	-	-	128,187,585

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

**CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

In thousands of Naira	Note	GROUP		COMPANY	
		30 SEP 2017	30 SEP2016	30 SEP 2017	30 SEP2016
Cash flows from operating activities					
Profit for the period		5,468,945	12,981,132	251,301	1,817,861
Adjustments for:					
Net impairment loss on financial assets	10	12,653,298	34,496,735	-	450,000
Fair value gain on financial assets held for trading		(46,978)	25,560	-	-
Net income from other financial instruments at fair value through profit or loss	13	(103,383)	13,133	-	-
Depreciation and amortisation	16	3,911,210	3,313,579	16,606	18,776
Loss / (gain) on disposal of property and equipment and intangible assets	14	(1,055,808)	1,338,176	(46)	(570)
Loss / (gain) on disposal of investment securities	14	-	812,316	-	-
Foreign exchange gains	14	(1,031,915)	(35,342,662)	(6,631)	(2,747,004)
Net interest income		(49,901,820)	(53,196,678)	(647,996)	(410,879)
Tax expense	20	1,372,483	1,194,416	-	-
		(28,733,968)	(34,364,293)	(386,766)	(871,816)
Changes in operating assets and liabilities					
Net (increase)/decrease in restricted reserve deposits		49,913,825	(14,311,218)	-	-
Net (increase)/decrease derivative assets held for risk management		1,018,912	197,059	-	-
Net (increase)/decrease trading assets		(5,073,984)	(8,760,606)	-	-
Net (increase)/decrease loans and advances to customers		7,220,847	(62,084,984)	-	-
Net (increase)/decrease in other assets		13,957,214	10,020,399	1,383,544	(103,509)
Net increase/(decrease) in trading liabilities		(13,967,874)	(2,781,102)	-	-
Net increase/(decrease) in deposits from banks		(2,602,660)	42,054,820	-	-
Net increase/(decrease) in deposits from customers		(21,333,714)	(35,906,814)	-	-
Net increase/(decrease) in on-lending facilities		13,581,553	4,381,252	-	-
Net increase/(decrease) in derivative liabilities held for risk management		(770,201)	(305,485)	-	-
Net Increase/(decrease) in other liabilities		(60,905,763)	1,272,975	(129,995)	262,745
		(47,695,813)	(100,587,997)	866,783	(712,580)
Interest received		104,368,197	101,264,662	647,996	410,879
Interest paid		(50,851,139)	(43,091,448)	-	-
VAT paid		(668,678)	(668,678)	-	-
Income taxes paid	20(iv)	(738,802)	(1,906,480)	-	-
Net cash used in operating activities		4,413,765	(44,989,941)	1,514,779	(301,701)
Cash flows from investing activities					
Dividends received		538,927	314,557	228,417	150,000
Purchase of property and equipment	30	(3,547,218)	(3,710,244)	(357)	(61,809)
Purchase of intangible assets	31(a)	(927,470)	(588,736)	-	-
Proceeds from sale of property and equipment		2,093,636	(1,232,984)	720	27,271
Acquisition of investment securities		(99,854,445)	(102,991,084)	-	-
Proceeds from sale and redemption of investment securities		89,474,812	66,431,457	262,163	-
Net cash generated from investing activities		(12,221,758)	(41,777,034)	490,943	115,462
Cash flows from financing activities					
Dividend paid		(1,980,270)	(1,980,271)	(1,980,270)	(1,980,271)
Proceeds from long term borrowing	36(c)	9,213,002	33,867,676	-	-
Repayment of long term borrowing	36(c)	(25,731,115)	(32,160,626)	-	-
Net cash generated from financing activities		(18,498,383)	(273,221)	(1,980,270)	(1,980,271)
Net (decrease)/Increase in cash and cash equivalents					
		(26,306,376)	(87,040,196)	25,452	(2,166,510)
Cash and cash equivalents at start of period	21	143,168,399	180,921,698	5,817,754	6,796,436
Effect of exchange rate fluctuations on cash and cash equivalents held		3,168,968	49,286,897	(1,410,720)	3,586,312
Cash and cash equivalents at end of year	21	120,030,991	143,168,399	4,432,486	8,216,238

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1 Reporting entity

FCMB Group Plc was incorporated in Nigeria as a financial holding company on November 20, 2012, under the Companies and Allied Matters Act, in response to the CBN's Regulation on the Scope of Banking Activities and Ancillary Matters (Regulation 3).

The principal activity of FCMB Group Plc is to carry on business as a financial holding company, investing in and holding controlling shares in, as well as managing equity investments in Central Bank of Nigeria approved financial entities. The Company has four direct subsidiaries; First City Monument Bank Limited (100%), FCMB Capital Markets Limited (100%), CSL Stockbrokers Limited (100%), CSL Trustees Limited (100%) and FCMB Microfinance Bank Limited (100%).

FCMB Group Plc is a company domiciled in Nigeria. The address of the company's registered office is 44 Marina, Lagos. These unaudited reports for the period ended 30 September 2017 comprise the Company and its subsidiaries (together referred to as the 'Group').

2 Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements, unless otherwise stated.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

(i) Statement of compliance

The unaudited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standard Board (IASB) in the manner required by the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004 and relevant Central Bank of Nigeria circulars and guidelines. The IFRS accounting policies have been consistently applied to all periods presented.

(ii) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

Non-derivative financial instruments, at fair value through profit or loss are measured at fair value

Available-for-sale financial assets are measured at fair value through other comprehensive income (OCI). However, when the fair value of the available-for-sale financial assets cannot be measured reliably, they are measured at cost less impairment.

Financial assets and liabilities held for trading are measured at fair value

Derivative financial instruments are measured at fair value

(iii) Functional and presentation currency

These consolidated and separate financial statements are presented in Naira, which is the Company's functional currency. Except where indicated, financial information presented in naira has been rounded to the nearest thousand.

(iv) Use of estimates and judgments

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

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

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 4.

(b) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group 'controls' an investee if it is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether it has control if there are changes to one or more of elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investment in subsidiaries are measured at cost less impairment in the Company's separate financial statements.

(ii) Special purpose entities

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective such as the execution of a specific borrowing or lending transaction. A SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE.

The Group established FCMB Financing SPV Plc, Nigeria as a special purpose entity to raise capital from the Nigerian capital markets or other international market either by way of a stand-alone issue or by the establishment of a programme. Accordingly, the financial statements of FCMB Financing SPV Plc have been consolidated.

(iii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in statement of profit or loss. If the Group retains any interests in the previous subsidiary, then such interests is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or in accordance with the Group's accounting for financial instruments.

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

(iv) Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investments, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

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

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rates as at that date. The foreign currency gain or loss is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in statement of profit or loss, except for differences arising on the translation of available-for-sale equity instruments, which are recognised in other comprehensive income.

(ii) Foreign operations

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

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

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

(d) Interest

Interest income and expense on financial instruments are recognised in the statement of profit or loss using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, the next repricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

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

Interest income and expense presented in the statement of profit or loss and other comprehensive income include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.
- Interest on available for sale investment securities calculated on an effective interest rate basis

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

(e) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate which is used in the computation of Interest Income. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantees, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities.

Other fees and commission income, including loan account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

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

(f) Net trading income

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

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

Net income from other financial instruments at fair value through profit or loss relates to fair value gains or losses on non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships and financial assets and liabilities designated at fair value through profit or loss. It includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

(h) Dividend income

Dividend income is recognised when the right to receive income is established. Dividends on trading equities are reflected as a component of net trading income. Dividend income on long term equity investments is recognised as a component of other operating income.

(i) Leases

(i) Lease payments – Lessee

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction on the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Lease assets – Lessee

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(iii) Lease assets – Lessor

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

Finance charges earned are computed using the effective interest method which reflects a constant periodic return on the investment in the finance lease. Initial direct costs paid are capitalized to the value of the lease amount receivable and accounted for over the lease term as an adjustment to the effective rate of return.

(j) Income Tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in statement of profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

(i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and it consists of Company Income Tax, Education tax and NITDA levy. Company Income tax is assessed at 30% statutory rate of total profit whereas Education tax is computed as 2% of assessable profit while NITDA levy is a 1% levy on Profit Before Tax of the Company and the subsidiary companies.

Current income tax and adjustments to past years tax liability is recognised as an expense for the period except to the extent that the current tax relates to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on available-for-sale investments).

The Group evaluates positions stated in tax returns; ensuring information disclosed are in agreement with the underlying tax liability.

(ii) Deferred tax

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:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Where the Group has tax losses that can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and 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.

Additional taxes that arise from the distribution of dividend by the Group are recognised at the same time as the liability to pay the related dividend is recognised. These amounts are generally recognised in statement of profit or loss because they generally relate to income arising from transactions that were originally recognised in statement of profit or loss.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(k) Financial assets and financial liabilities

(i) Recognition

The Group initially recognises loans and advances, deposits, bonds, treasury bills and other securities on the date that they are originated. All other financial assets and financial liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

All financial assets or financial liabilities are measured initially at their fair value plus or minus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss. Subsequent recognition of financial assets and liabilities is at amortised cost or fair value.

(ii) Classification

Financial assets

The classification of financial instruments depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. The Group classifies its financial assets in the following categories:

- loan and receivables
- held to maturity
- available-for-sale
- at fair value through profit or loss and within the category as:
 - held for trading; or
 - designated at fair value through profit or loss.

see Notes 2(m) (o) and (p)

Financial liabilities

The Group classifies its financial liabilities as measured at amortised cost or fair value through profit or loss.

(iii) De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of profit or loss.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the 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. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by extent to which it is exposed to changes in the value of the transferred asset.

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.

Financial liabilities

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

(iv) Offsetting

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

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

(v) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(vi) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted debt securities and other debt instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The impact on net profit of financial instrument valuations reflecting non-market observable inputs (level 3 valuations) is disclosed in the Note to the accounts.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs. The fair values of contingent liabilities correspond to their carrying amounts.

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

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Identification and measurement of impairment

Asset

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include:

- (a) a breach of contract, such as a default or delinquency in interest or principal payments;
- (b) significant financial difficulty of the issuer or obligor;
- (c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- (d) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- (i) adverse changes in the payment status of borrowers in the portfolio; and
- (ii) national economic conditions that correlate with defaults on the assets in the portfolio.

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

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

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks and customers are classified in loan impairment charges whilst impairment charges relating to investment securities (held to maturity categories) are classified in 'Net gains / (losses) from financial instruments at fair value'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of profit or loss.

Assets classified as available for sale

The Group assesses at reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. In general, the Group considers a decline of 20% to be "significant" and a period of nine months to be "prolonged". If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in statement of profit or loss – is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in statement of profit or loss, the impairment loss is reversed through the statement of profit or loss. Assets classified as available for sale are assessed for impairment in the same manner as assets carried at amortised cost.

(l) Cash and cash equivalents and restricted deposits

Cash and cash equivalents include bank notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position. Restricted reserve deposits are restricted mandatory reserve deposits held with the Central Bank of Nigeria, which are not available for use in the Bank and Group's day-to-day operations. They are calculated as a fixed percentage of the Bank and Group's deposit liabilities. For the purposes of the statement of cash flow, cash and cash equivalents include cash and non-restricted balances with central banks.

(m) Financial assets and liabilities at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

Financial liabilities for which the fair value option is applied are recognised in the consolidated statement of financial position as 'Financial liabilities designated at fair value through profit or loss'. Fair value changes relating to financial liabilities designated at fair value through profit or loss are recognised in 'Net gains on financial instruments designated at fair value through profit or loss'.

(i) Trading assets and liabilities

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

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs recognised in statement of profit or loss. All changes in fair value are recognised as part of net trading income in statement of profit or loss.

(ii) Designation at fair value through profit or loss

The Group designates certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. According to IAS 39, the fair value option is only applied when the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise or
- the financial assets are part of a portfolio of financial instruments which is risk managed and reported to management on a fair value basis

Financial assets for which the fair value option is applied are recognised in the consolidated and separate statement of financial position as 'Financial assets designated at fair value'. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains on financial instruments designated at fair value through profit or loss'.

(iii) Reclassification of financial assets and liabilities

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(n) Assets pledged as collateral

Financial assets transferred to external parties that do not qualify for de-recognition (see k(iii)) are reclassified in the statement of financial position from investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Initial measurement of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are designated as available for sale or held to maturity. Where the assets pledged as collateral are designated as available for sale, subsequent measurement is at fair value through equity. Assets pledged as collateral designated as held to maturity are measured at amortised cost.

(o) Loans and advances

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

Loan and receivables from customers and others include:

- those classified as loan and receivables
- finance lease receivables
- other receivables (other assets).

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

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

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or borrowing"), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements. Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

(p) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as either held for trading, held-to-maturity, fair value through profit or loss or available-for-sale.

(i) Held-to-maturity

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

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

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

(ii) Fair value through profit or loss

The Group designates some investment securities at fair value with fair value changes recognised immediately in statement of profit or loss.

(iii) Available-for-sale

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

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

Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired whereupon the cumulative gains and losses previously recognised in other comprehensive income are recognised in the statement of profit or loss as a reclassification adjustment.

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

(q) Derivative assets and liabilities

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives are recognised initially at fair value in the statement of financial position, while any attributable costs are recognised in the statement of profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with fair values changes recognised in statement of profit or loss.

(r) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Items of work in progress are recognised at cost less any observable impairment. A review for impairment is carried out when circumstances or situations suggests that the asset carrying amount may not be recoverable. Impairment loss is recognized when the current asset value is less than the cost.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are recognized net within other income in the statement of profit or loss.

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each date of the consolidated statement of financial position. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (t) on impairment of non-financial assets.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the statement of profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

Items classified as work in progress are not depreciated till the asset is available for use.

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. A non-current asset or disposal group is not depreciated while it is classified as held for sale. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:
Leasehold land Over the shorter of the useful life of the item or lease term

Buildings	50 years
Computer hardware	4 years
Furniture, fittings and equipment	5 years
Motor vehicles	4 years

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

(iv) De-recognition

When an item of work in progress is completed and is available for use, the asset is de-classified to the relevant class of the asset under property and equipment. 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 the statement of profit or loss in the year the asset is derecognised.

(s) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the 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 the statement of profit or loss; Goodwill on acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, 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 identified in accordance with IFRS 8. 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 and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Software

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

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 the statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is four years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(t) Impairment of non-financial assets

The Group's non-financial assets with carrying amounts other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated 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.

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

(u) Deposits, debt securities issued, onlending facilities and borrowings

Deposits, debt securities issued, onlending facilities and borrowings are the Group's sources of funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as borrowing, and the underlying asset continues to be recognised in the Group's financial statements.

Deposits, debt securities issued, onlending facilities and borrowings 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.

(v) Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') remain on the statement of financial position; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (reverse repos) are recorded as money market placements. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income.

(w) Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The Group recognises no provisions for future operating losses.

(x) Financial guarantees and loan commitments

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor failed to make payment when due in accordance with the terms of the debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Liabilities arising from financial guarantees or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. The liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment to settle the liability when a payment under the contracts has become probable. Financial guarantees and commitments to provide a loan at a below-market interest rate are included within other liabilities.

(y) Employee benefits

(i) Defined contribution plans

A retirement benefit obligation is a defined contribution plan. A defined contribution plan is a post-employment benefits plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. In line with the Pension Reform Act 2014, the Group and its employees make a joint contribution, 18% (10% by the company and 8% by the employees) of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. Obligations for contributions to defined contribution plans are recognised as personnel expenses in statement of profit or loss in the period during which related services are rendered. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Termination benefits

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

(iii) 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 cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(z) Share capital and reserves

(i) Share issue costs

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

(ii) Dividend on the Company's ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position 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 Companies and Allied Matters Act of Nigeria.

Where the Company or other members of the Group purchase the Company's share, the consideration paid is deducted from total 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.

aa) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company 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, which comprise share options granted to employees.

ab) Segment reporting

Segment results that are reported to the Executive Management Committee (being the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

ac) **New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

(i) IFRS 9, Financial Instruments

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Group has started the process of evaluating the potential effect of this standard but is awaiting finalisation of the limited amendments before the evaluation can be completed. Given the nature of the Group's operations, this standard is expected to have a material impact on the Group's financial statements. IFRS 9 is effective for periods beginning on or after 1 January 2018.

The Group is currently in the process of assessing the impact that the initial application would have on its business and will adopt the standard for the year ending 31 December 2018.

(ii) IFRS 15, Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The Group has assessed and evaluated the potential effect of this standard. Given the nature of the Group's operations, this standard is expected not to have a significant impact on the Group's financial statements. IFRS 15 is effective for periods beginning on or after 1 January 2018.

(iii) IFRS 16, Leases

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as required by IAS 17 and introduces a single lease accounting model. Applying that model, a lessee is required to recognise:

- assets and liabilities for leases with a term of more than 12 months, unless the underlying assets is of low value;
- depreciation of lease assets separately from interest on lease liabilities in statement of profit or loss

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as finance leases, and to account for these two types of leases differently.

The Group is currently in the process of assessing the impact that the initial application would have on its business and will adopt the standard for the year ending 31 December 2019. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

(iv) Disclosure Initiative (Amendments to IAS 7)

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Entities are not required to present comparative information for earlier periods.

The Group will adopt the amendments for the year ending 31 December 2017. The amendments are effective for annual periods beginning on or after 1 January 2017.

(v) Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. Therefore, assuming that the tax base remains at the original cost of the debt instrument, there is a temporary difference.

The impact on the financial statements of an entity will depend on the entity's tax environment and how it currently accounts for deferred taxes.

The amendment is not expected to have any significant impact on the consolidated financial statements of the Group. The Group will adopt the amendments for the year ending 31 December 2017. The amendments are effective for annual periods beginning on or after 1 January 2017.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

14 Other income

Dividends on equity investment securities in the subsidiaries (see note (a) below)
Dividends on unquoted equity securities at cost (see note (b) below)
Foreign exchange gains (see note (c) below)
Loss on disposal of investment securities (see note (d) below)
Gain / (loss) on sale of property and equipment (see note (e) below)
Other income (see note (f) below)

	-	-	106,492	150,000
	538,927	314,557	121,925	-
	1,031,915	35,342,662	6,631	2,747,004
	-	(812,316)	-	-
	1,055,808	(1,338,176)	46	570
	2,534,400	42,326	37,923	-
	5,161,050	33,549,053	273,017	2,897,574

- (a) This amount N106.49million (30 September 2016: N150.00million received from FCMB Capital Markets Limited) represents dividend income received from CSL Trustees Limited, which has been eliminated at the Group.
(b) This amount N538.93million (30 September 2016: N314.56million) represents dividend income received from unquoted equity investments held by the Group.
(c) This amount N1.03billion (30 September 2016: N35.34billion) represents FX revaluation gain due to naira devaluation.
(d) This amount represents prior period gain of N2.98m on disposal of Abuja Leasing Company, and loss of N806.11million and N9.18million on disposal of Helios Towers Mauritius (HTM) Private Placement Underwriting and Environmental Remediation Holding Company Plc respectively.
(e) This amount includes N1.21billion gain on disposal of property located at Akin Adesola owned by First City Monument Bank Limited.

(f) Other income comprises:

Rental income
Recoveries
Shared services income

	904,603	36,700	-	-
	1,629,797	5,626	4,097	-
	-	-	33,826	-
	2,534,400	42,326	37,923	-

In thousands of Naira

15 Personnel expenses

Short term employee benefits
Contributions to defined contribution plans (see note 39)
Non-payroll staff cost

	GROUP		COMPANY	
	9months ended 30 September 2017	30 September 2016	9months ended 30 September 2017	9months ended 30 September 2016
	13,733,208	16,036,803	140,146	186,457
	386,204	449,755	4,579	5,789
	2,600,949	2,215,445	9,247	9,893
	16,720,361	18,702,003	153,972	202,139

Staff loans

Staff receive loans priced below the market interest rate. These loans are measured at fair value at initial recognition. The difference between the present value (PV) of cash flows discounted at the contractual rate and present value (PV) of cash flows discounted at market rate has been recognised as a prepaid employee benefit which is amortised to personnel expense, over the life of the loan which is included in non-payroll staff cost.

Non-payroll staff cost includes NSITF expenses, ITF levy, medical expenses, club subscriptions and other related expenses not paid to staff.

16 Depreciation and amortisation

Amortisation of intangibles (see note 31)
Depreciation of property and equipment (see note 30)

	837,716	423,976	722	722
	3,073,494	2,889,603	15,884	18,054
	3,911,210	3,313,579	16,606	18,776

In thousands of Naira

17 General and administrative expenses

Communication, stationery and postage
Business travel expenses
Advert, promotion and corporate gifts
Business premises and equipment costs
Directors' emoluments and expenses
IT expenses
Contract Services and training expenses
Vehicles maintenance expenses
Security expenses
Auditors' remuneration
Professional charges

	GROUP		COMPANY	
	9months ended 30 September 2017	30 September 2016	9months ended 30 September 2017	9months ended 30 September 2016
	1,273,837	1,491,341	8,106	10,280
	674,253	867,528	11,267	3,524
	1,617,732	1,769,077	2,541	2,017
	3,267,986	3,077,251	16,637	14,343
	660,980	643,216	194,385	141,906
	2,788,443	2,172,456	5,593	1,930
	3,826,693	4,018,507	2,314	2,167
	1,093,884	1,115,250	1,886	2,645
	1,590,405	1,556,810	-	-
	241,050	146,361	26,250	26,250
	2,042,804	1,813,548	56,084	64,932
	19,078,067	18,671,345	325,063	269,994

18 Other operating expenses

NDIC Insurance Premium & other insurances
AMCON Expenses
Others (see note (a) below)

	2,767,530	2,847,669	3,043	4,007
	5,655,757	4,215,225	-	-
	1,170,622	1,575,668	171,020	545,610
	9,593,909	8,638,562	174,063	549,617

(a) Others comprises:

AGM, meetings and shareholders expenses
Donation and sponsorship expenses
Entertainment expenses
Fraud and forgery expense
Rental expenses
Other accounts written off
Provision for litigation
Penalty

	256,555	217,226	139,930	115,517
	328,032	147,865	-	-
	193,801	238,373	4,418	5,064
	7,094	30,409	-	-
	104,048	144,723	6,611	5,853
	87,229	69,998	61	-
	166,157	727,073	-	419,176
	27,705	-	20,000	-
	1,170,621	1,575,667	171,020	545,610

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

In thousands of Naira	GROUP		COMPANY	
	9months ended 30 September 2017	30 September 2016	9months ended 30 September 2017	9months ended 30 September 2016
19 Earnings per share				
Basic and diluted earnings per share				
Profit attributable to equity holders	5,468,945	12,981,132	251,301	1,817,861
Weighted average number of ordinary shares in issue	19,802,710	19,802,710	19,802,710	19,802,710
	0.37	0.87	0.02	0.12

Group does not have dilutive potential ordinary shares as at 30 September 2017 (December 2016: nil).

20 Tax expense				
(i) Current tax expense:				
Minimum tax (see note 20(ii))	675,000	962,676	-	-
National Information Technology Development Agency (NITDA) levy	-	126,162	-	-
Corporate income tax (see note 20(ii))	697,483	105,578	-	-
Total tax expense	1,372,483	1,194,416	-	-

(ii) Reconciliation of effective tax rate

	GROUP		COMPANY	
	30 SEPTEMBER 2017			
Profit before tax		6,673,022		251,301
Income tax using the domestic corporation tax rate	30.0%	2,001,907	30.0%	75,390
National Information Technology Development Agency (NITDA) levy	0.0%	-	0.0%	-
Non-deductible expenses	215.8%	14,398,317	0.0%	-
Tax exempt income	(188.8%)	(12,601,325)	(30.0%)	(75,390)
Minimum tax	10.1%	675,000	0.0%	-
Unrecognised tax losses	(46.5%)	(3,101,416)	0.0%	-
Tertiary education tax	0.0%	-	0.0%	-
Impact of excess dividend tax	0.0%	-	0.0%	-
Total tax expense	20.6%	1,372,483	0.0%	-

	GROUP		COMPANY	
	30 SEPTEMBER 2016			
Profit before tax		14,175,548		1,817,861
Income tax using the domestic corporation tax rate	13.7%	1,936,301	30.0%	545,358
National Information Technology Development Agency (NITDA) levy	0.6%	85,032	0.0%	-
Balancing charge				
Non-deductible expenses	33.0%	4,672,138	0.0%	-
Tax exempt income	(60.9%)	(8,629,384)	(30.0%)	(545,358)
Minimum tax	6.3%	892,932	0.0%	-
Unrecognised tax losses	27.0%	3,830,804	0.0%	-
Tertiary education tax	0.9%	124,292	-	-
Impact of excess dividend tax	0.0%	-	0.0%	-
Total tax expense	8.4%	1,194,416	0.0%	-

(iii) The Banking subsidiary was assessed based on the minimum tax legislation for the period ended 30 September 2017 because of a tax exemption granted via Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 as contained in a gazette issued by the President of the Federal Republic of Nigeria, which took effect from 2 January 2012.

The Order exempts all interests earned on Bonds (Federal, state, local and corporate bodies including supra-national) and other short term securities such as Treasury Bills and Promissory Notes from being subjected to tax imposed under the Companies Income Tax Act. The Order is valid for a period of 10 years from the effective date of the Order, except for Bonds issued by the Federal Government, which will continue to enjoy the exemption.

A significant portion of the Banking subsidiary's income derives from short-term securities and government bonds, and as a result, the Banking subsidiary's current income tax assessment for the year under review yields a tax credit in its favour. Consequently, the Banking subsidiary has applied the provisions of the Companies Income Tax Act that mandates a minimum tax assessment, where a tax payer does not have any tax liability arising from its tax assessment.

Excess dividend tax in line with Section 15A of Companies Income Tax Act stipulates that where a company pays dividend in a year where no tax is payable due to no total profit or total profit that is less than the amount of dividend paid, whether or not the recipient of the dividend is a Nigeria company, the company paying the dividend shall be charged to a tax at the rate of 30% of the amount of dividend paid as if that is the total profit of the company. During the period ended 30 September 2017, the Bank was not liable to excess dividend tax (31 December 2016: Nil).

The Group utilized the services of the following tax consultants during the year under review:

NAME OF PROFESSIONAL	FRC_NUMBER	FRC_NUMBER
Pedabo Associates Ltd.		FRC/2013/ICAN/0000000908

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
(iv) Current income tax liability				
Beginning of the period / year	2,859,562	3,497,954	44,582	25,231
Tax paid	(738,802)	(1,935,705)	-	-
Tax refund	(731,157)	(424,971)	-	-
Minimum tax	675,000	988,364	-	-
National Information Technology Development Agency (NITDA) levy	-	159,471	-	19,351
Tertiary education tax	-	35,014	-	-
Income tax expense	697,483	539,435	-	-
	2,762,086	2,859,562	44,582	44,582
Current	2,762,086	2,859,562	44,582	44,582
Non-current	-	-	-	-
	2,762,086	2,859,562	44,582	44,582

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
21 Cash and cash equivalents				
Cash	34,036,951	27,925,361	-	-
Current balances within Nigeria	2,006,834	4,152,938	133,834	202,180
Current balances outside Nigeria	58,827,237	53,217,994	-	-
Placements with local banks	2,263,050	6,629,419	4,298,652	5,615,574
Placements with foreign banks	8,573,363	10,309,203	-	-
Unrestricted balances with Central bank	14,323,556	5,869,717	-	-
	120,030,991	108,104,632	4,432,486	5,817,754
Current	120,030,991	106,424,322	4,432,486	5,817,754
Non-current	-	-	-	-
	120,030,991	106,424,322	4,432,486	5,817,754

(a) Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
22 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks	89,547,089	139,460,914	-	-
	89,547,089	139,460,914	-	-
Current	-	-	-	-
Non-current	89,547,089	139,460,914	-	-
	89,547,089	139,460,914	-	-

(a) Restricted mandatory reserve deposits are not available for use in the Banking subsidiary's and Group's day-to-day operations. Mandatory reserve deposits is non interest-bearing and are computed as a fixed percentage of the Banking subsidiary qualifying deposit liabilities. During the period, the CBN granted the Banking subsidiary a temporary CRR relief of N73billion, refundable January 2018.

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
23(a) Trading assets				
Federal Government of Nigeria Bonds - listed	3,098,290	990,508	-	-
Treasury bills - listed	10,979,089	8,053,007	-	-
Equity securities	150,803	110,683	-	-
	14,228,182	9,154,198	-	-
Current	14,228,182	9,154,198	-	-
Non-current	-	-	-	-
	14,228,182	9,154,198	-	-
(b) Trading liabilities				
Short sold positions - Federal Government of Nigeria Bonds	2,618,638	1,872,112	-	-
Short sold positions - Treasury bills	5,093,303	4,383,821	-	-
	7,711,941	6,255,933	-	-
Current	7,711,941	6,255,933	-	-
Non-current	-	-	-	-
	7,711,941	6,255,933	-	-

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
24 Derivative assets and liabilities held for risk management				
Instrument type				
Assets: - options	-	984,230	-	-
- interest rate swap	-	34,682	-	-
	-	1,018,912	-	-
Current	-	34,682	-	-
Non-current	-	984,230	-	-
	-	1,018,912	-	-
Liabilities - options	-	733,486	-	-
- interest rate swap	-	36,715	-	-
	-	770,201	-	-
Current	-	36,715	-	-
Non-current	-	733,486	-	-
	-	770,201	-	-

Customer Transactions: The banking subsidiary entered into options on Dated Brent with customers to allow those customers hedge their exposure to the oil price

Market Transactions: The Banking subsidiary also entered into back to back options on Dated Brent with regard to the customer transactions with market counterparties to completely mitigate the market risk exposure on the customer transactions. As at period end, no such transaction was running.

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
25 Loans and advances to customers				
(a) Overdrafts	49,208,681	46,942,569	-	-
Term loans	563,181,994	580,751,976	-	-
On-lending facilities	52,005,741	34,246,431	-	-
Advances under finance lease	17,441,147	18,542,085	-	-
Gross loans and advances	681,837,563	680,483,061	-	-
Less allowance for impairment	(26,374,835)	(20,545,824)	-	-
	655,462,728	659,937,237	-	-
Current	179,095,975	355,211,185	-	-
Non-current	476,366,753	304,726,052	-	-
	655,462,728	659,937,237	-	-

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

(c) Equity securities measured at fair value under available-for-sale investments

DAAR Communications Underwriting	37,277	37,277	-	-
Unity Bank Plc	672	615	-	-
UTC Nigeria Plc	11	11	-	-
Central Securities Clearing System	24,150	19,250	-	-
Financial Derivative Ltd	10,000	10,000	-	-
Industrial and General Insurance Plc	4,901	4,901	-	-
Food Concepts Limited	1,890	1,890	-	-
Zenith Bank Plc	-	359,617	-	-
Legacy Short Maturity Fund	37,521	33,366	-	-
Legacy Equity Fund	66,000	46,000	-	-
Standard Alliance Co Plc	714,350	714,350	-	-
	896,771	1,227,278	-	-

In thousands of Naira

(d) Unquoted equity securities at cost under available-for-sale investments

	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
Credit Reference Company Limited	61,111	61,111	-	-
Nigeria Inter-bank Settlement System Plc	102,970	102,970	-	-
Africa Finance Corporation	2,558,388	2,558,388	-	-
Private Equity Funds (see (h) below)	1,572,923	1,572,923	1,572,923	1,572,923
SME Investments (note (f) below)	727,454	727,454	-	-
Africa Export-Import Bank, Cario	144,805	144,805	-	-
Express Discount House	64,415	64,415	-	-
Smartcard Nigeria Plc	22,804	22,804	-	-
ATSC Investment	50,000	50,000	-	-
Currency Sorting Co	24,640	24,640	-	-
IMB Energy Master Fund	100,000	100,000	-	-
FMDQ (OTC) Plc	30,000	30,000	-	-
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	18,595	18,595	-	-
	5,478,105	5,478,105	1,572,923	1,572,923
Specific impairment for equities (note (e) below)	(983,227)	(957,414)	-	-
Carrying amount	4,494,878	4,520,691	1,572,923	1,572,923

(e) Specific allowances for impairment against unquoted equity securities at cost under available-for-sale investments

Balance at 1 January	957,414	1,299,914	-	-
Acquired during the period/year	25,813	-	-	-
Write off during the period/year	-	(342,500)	-	-
Balance at end	983,227	957,414	-	-

(f) The available-for-sale investments unquoted equity were measured at cost because the fair value could not be reliably measured.

In thousands of Naira

27 Assets pledged as collateral

The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:

	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
Treasury Bills - listed:				
- Available for sale	18,433,133	3,827,205	-	-
	18,433,133	3,827,205	-	-
Federal Government of Nigeria (FGN) Bonds - listed:				
- Available for sale	1,933,568	1,933,568	-	-
- Held to maturity	60,496,029	53,346,359	-	-
	62,429,597	55,279,927	-	-
	80,862,730	59,107,132	-	-
Current	11,734,482	11,734,482	-	-
Non-current	69,128,248	47,372,650	-	-
	80,862,730	59,107,132	-	-

As at the period end, the Group held no collateral, which it was permitted to sell or re-pledge in the absence of default by the owner of the collateral (31 December 2016: nil).

The assets pledged as collateral were given to the counter parties without transferring the ownership to them. These are held by the counterparty for the term of the transaction being collateralized. These represents pledged assets to these parties;

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

30 Property and equipment GROUP								
In thousands of Naira	Leasehold land	Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost								
Balance at 1 January 2017	1,108,466	20,659,942	5,718,323	4,855,158	20,400,110	8,503,963	2,905,629	64,151,591
Additions during the period	-	400,049	489,953	168,714	1,793,903	72,650	621,949	3,547,218
Reclassifications	-	1,048,462	-	19,950	263,630	4,678	(1,336,720)	-
Transfer to intangible assets	-	-	-	-	-	-	(13,376)	(13,376)
Disposal during the period	-	(1,252,276)	-	(240,578)	(25,729)	(8,543)	-	(1,527,126)
Items written-off	-	-	-	-	-	-	(66)	(66)
Write off against cost (See Note (i) below)	(201,858)	-	-	-	-	-	-	(201,858)
Translation difference	-	-	-	955	1,958	98	-	3,011
Balance at reporting date	906,608	20,856,177	6,208,276	4,804,199	22,433,872	8,572,846	2,177,548	65,959,526
Accumulated depreciation								
Balance at 1 January 2017	125,933	3,152,371	3,529,558	3,657,281	13,665,367	7,737,855	-	31,868,365
Charge for the period (see note 16)	-	299,051	195,003	424,877	1,742,283	412,280	-	3,073,494
Eliminated on Disposal	-	(186,967)	-	(272,741)	(26,224)	(3,366)	-	(489,298)
Translation difference	(125,933)	-	63	55	127	78	-	323
Balance at reporting date	-	3,264,455	3,724,624	3,809,472	15,381,553	8,146,847	-	34,326,951
Carrying amounts:								
Balance at 30 September 2017	906,608	17,591,722	2,483,652	994,727	7,052,319	425,999	2,177,548	31,632,575
Balance at 31 December 2016	982,533	17,507,571	2,188,765	1,197,877	6,734,743	766,108	2,905,629	32,283,226

(i) During the period, the Group reviewed the estimated useful life of its leasehold land as unlimited on the basis that it is reasonably certain that the lessors (state governments), will renew the lease upon expiration and that the substance of the lease is that the Group has ownership of the land, not a right to use the land for a predefined period. Consequently, the Group has discontinued depreciation of the leasehold land.

(ii) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period ended (31 December 2016: nil).

(iii) There were no restrictions on title of any property and equipment.

(iv) There were no property and equipment pledged as security for liabilities.

(v) There were no contractual commitments for the acquisition of property and equipment.

COMPANY								
In thousands of Naira	Leasehold land	Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost								
Balance at 1 January 2017	-	-	5,181	73,683	14,011	2,978	-	95,853
Additions during the period	-	-	-	-	-	357	-	357
Disposal during the period	-	-	-	(4,235)	-	-	-	(4,235)
Balance at reporting date	-	-	5,181	69,448	14,011	3,335	-	91,975
Accumulated depreciation								
Balance at 1 January 2017	-	-	1,677	27,342	5,470	1,895	-	36,384
Charge for the period (see note 16)	-	-	389	13,118	1,853	524	-	15,884
Eliminated on Disposal	-	-	-	(3,561)	-	-	-	(3,561)
Balance at reporting date	-	-	2,066	36,899	7,323	2,419	-	48,707
Carrying amounts:								
Balance at 30 September 2017	-	-	3,115	32,549	6,688	916	-	43,268
Balance at 31 December 2016	-	-	3,504	46,341	8,540	1,083	-	59,468

Current
Non-current

	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
Current	-	-	-	-
Non-current	31,632,575	32,283,226	43,268	59,468
	31,632,575	32,283,226	43,268	59,468

(i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period ended (31 December 2016: nil).

(ii) There were no restrictions on title of any property and equipment.

(iii) There were no property and equipment pledged as security for liabilities.

(iv) There were no contractual commitments for the acquisition of property and equipment.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
31 Intangible assets				
(a) Software				
Cost				
Beginning of the period/year	6,940,083	5,491,892	3,851	3,851
Additions during the period/year	101,134	302,185	-	-
Work-in-progress - additions during the period/year	826,336	927,242	-	-
Items written-off	(46,391)	-	-	-
Transfer from property and equipment	13,376	113,361	-	-
Translation difference for the period/year	20,190	105,403	-	-
End of the period/year	7,854,728	6,940,083	3,851	3,851
Amortisation				
Beginning of the period/year	3,467,292	2,828,681	2,969	2,006
Charge for the period/year (see note 16)	837,716	577,724	722	963
Translation difference for the period/year	(19,235)	60,887	-	-
End of the period/year	4,285,773	3,467,292	3,691	2,969
Carrying amount	3,568,955	3,472,791	160	882
(b) Goodwill				
Beginning of the period/year	6,199,739	6,305,328	-	-
Impairment charge for the period/year	-	(105,589)	-	-
At end of the period/year	6,199,739	6,199,739	-	-
	9,768,694	9,672,530	160	882
Current	-	-	-	-
Non-current	9,768,694	9,672,530	160	882
	9,768,694	9,672,530	160	882

(c) Goodwill is reviewed annually or more frequently for impairment when there are objective indicators that impairment may have occurred by comparing the carrying value to its recoverable amount. The recoverable amount has been calculated based on the value in use of the Cash Generating Units (CGUs), determined by discounting the future cashflows expected to be generated from the continuing use of the CGUs assets and their ultimate disposal. No Impairment charge was taken for period ended (2016:N105.59.74m) .

(d) There were no capitalised borrowing costs related to any acquisition or internal development of software during the period (31 December 2016: nil)

In thousands of Naira

32 Deferred tax assets and liabilities

(a) **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Group	30 SEP 2017			31 DEC 2016		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment	1,072,312	-	1,072,312	1,153,659	(62,017)	1,091,642
Defined benefits	-	-	-	(33,936)	23,698	(10,238)
Allowances for loan losses	2,355,514	-	2,355,514	2,330,958	(27,583)	2,303,375
Unrelieved loss carried forward	4,521,309	-	4,521,309	4,521,309	-	4,521,309
Net tax assets/ (liabilities)	7,974,379	-	7,974,379	7,971,990	(65,902)	7,906,088

	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
Deferred tax assets				
Current	-	-	-	-
Non-current	7,974,379	7,971,990	-	-
	7,974,379	7,971,990	-	-
Deferred tax liabilities				
Current	-	-	-	-
Non-current	65,902	65,902	-	-
	65,902	65,902	-	-

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(b) Movements in temporary differences during the period ended 30 September 2017

	GROUP			Balance at 31 December 2016
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	
Property and equipment	1,072,312	-	-	1,072,312
Allowances for loan losses	2,355,514	-	-	2,355,514
Unrelieved loss carried forward	4,521,309	-	-	4,521,309
	7,949,135	-	-	7,908,477

Movements in temporary differences during the year ended 31 December 2016;

	GROUP			Balance at 31 March 2016
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	
Property and equipment	1,072,312	-	-	1,072,312
Allowances for loan losses	2,355,514	-	-	2,355,514
Unrelieved loss carried forward	4,521,309	-	-	4,521,309
	7,949,135	-	-	7,949,135

In thousands of Naira

33 Other assets

(a) Other financial assets:

Accounts receivables

(b) Other non-financial assets:

Prepayments

Consumables

Less specific allowances for impairment (note (c) below)

Current

Non-current

(c) Movement in impairment on other financial assets

At start of the period / year

Increase in impairment during the year (see note 10(b))

Amounts written off

At period/year end

	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
27,185,909	26,799,187	696,127	2,080,271	
6,296,689	4,808,149	4,861	4,261	
632,733	500,632	-	-	
34,115,331	32,107,968	700,988	2,084,532	
(15,646,713)	(15,328,849)	-	-	
18,468,618	16,779,119	700,988	2,084,532	
4,904,809	1,635,951	700,988	2,084,532	
13,563,809	15,143,168	-	-	
18,468,618	16,779,119	700,988	2,084,532	
15,328,849	17,542,788	-	-	
366,370	3,607,348	-	-	
(48,506)	(5,821,287)	-	-	
15,646,713	15,328,849	-	-	

In thousands of Naira

34 Deposits from banks

Other deposits from banks

Current

Non-current

Other deposits from banks comprise:

Zenith Bank Plc, Nigeria (see note (a) below)

Citibank Nigeria Limited, Nigeria (see note (b) below)

First Bank Of Nigeria Plc, Nigeria (see note (c) below)

Access Bank Plc, Nigeria (see note (d) below)

Central Bank of Nigeria (CBN) (see note (e) below)

Rand Merchant Bank Ltd (see note (f) below)

Keystone Bank Ltd, Lagos (see note (g) below)

Diamond Bank (UK) Plc, London (see note (j) below)

Other foreign banks

	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
22,195,636	24,798,296	-	-	
22,195,636	24,798,296	-	-	
22,195,636	24,798,296	-	-	
-	-	-	-	
22,195,636	24,798,296	-	-	
3,003,288	-	-	-	
-	16,007,010	-	-	
6,002,301	3,751,849	-	-	
-	5,004,110	-	-	
10,001,041	-	-	-	
2,502,466	-	-	-	
102,268	-	-	-	
541,957	-	-	-	
42,315	35,327	-	-	
22,195,636	24,798,296	-	-	

- (a) The amount of N3.00billion (December 2016: Nil) represents overnight interbank takings from Zenith Bank Plc, Nigeria.
- (b) The amount of Nil (December 2016: N16.01billion) represents overnight interbank takings from Citibank Nigeria Limited.
- (c) The amount of N6.00billion (December 2016: N3.75billion) represents overnight interbank takings from First Bank of Nigeria Plc.
- (d) The amount of Nil (December 2016: N5.00billion) represents overnight interbank takings from Access Bank Plc, Nigeria.
- (e) The amount of N10.00billion (December 2016: Nil) represents overnight interbank takings from Central Bank of Nigeria (CBN).
- (f) The amount of N2.5billion (December 2016: Nil) represents overnight interbank takings from Rand Merchant Bank Limited, Nigeria.
- (g) The amount of N102.27million (December 2016: Nil) represents overnight interbank takings from Keystone Bank Limited, Lagos.
- (j) The amount of N542.00million (December 2016: Nil) represents overnight interbank takings from Diamond Bank (UK), London.
- (k) Deposits from banks only include financial instruments classified as liabilities at amortised cost.

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In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
35 Deposits from customers				
Term deposits	157,458,958	139,179,705	-	-
Current deposits	174,004,724	192,184,595	-	-
Savings	140,888,106	139,771,169	-	-
	472,351,788	471,135,469	-	-
Corporate customers:				
Term deposits	57,634,516	67,852,527	-	-
Current deposits	106,289,789	118,621,811	-	-
	163,924,305	186,474,338	-	-
	636,276,093	657,609,807	-	-
Current	636,028,850	657,545,969	-	-
Non-current	247,243	63,838	-	-
	636,276,093	657,609,807	-	-

Corporate customers represents deposits from corporate bodies, government agencies while retail customers represents deposits from individuals, unregistered small and medium scale business ventures.

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
36 Borrowings				
(a) Borrowing comprise:				
Standard Bank, London (see note (b)(i) below)	15,325,074	15,403,666	-	-
International Finance Corporation (IFC) (see note (b)(ii) below)	1,043,895	1,532,175	-	-
International Finance Corporation (IFC) (see note (b)(iii) below)	2,605,127	3,830,440	-	-
International Finance Corporation (IFC) (see note (b)(iv) below)	9,769,626	11,489,176	-	-
International Finance Corporation (IFC) (see note (b)(v) below)	7,326,615	8,616,882	-	-
International Finance Corporation (IFC) (see note (b)(vi) below)	2,457,121	4,825,856	-	-
Netherlands Development Finance Company (FMO) (see note (b)(vii) below)	5,186,015	5,943,078	-	-
Netherlands Development Finance Company (FMO) (see note (b)(viii) below)	5,186,015	5,943,078	-	-
Netherlands Development Finance Company (FMO) (see note (b)(ix) below)	-	1,527,534	-	-
European Investment Bank (EIB) (see note (b)(x) below)	10,205,775	10,077,908	-	-
Standard Bank, London (see note (b)(xi) below)	2,012,989	1,645,727	-	-
Citibank, N.A (OPIC) (see note (b)(xii) below)	12,248,462	16,839,062	-	-
African Export-Import Bank (Afrexim) (see note (b)(xiii) below)	27,257,831	30,553,398	-	-
Engr. Tajudeen Amoo (see note (b)(xiv) below)	-	1,257,692	-	-
Financial Derivatives Company Limited (see note (b)(xv) below)	130,907	114,943	-	-
First City Asset Management (FCAM) (see note (b)(xvi) below)	6,049,654	11,472,265	-	-
Lafeef Akande (see note (b)(xvii) below)	-	34,200	-	-
Mrs. Moyosore (see note (b)(xviii) below)	-	40,034	-	-
Rosewood Property (see note (b)(xix) below)	-	162,236	-	-
Micheal Ojo (see note (b)(xx) below)	701,012	785,018	-	-
British Commercial Bank (see note (b)(xxi) below)	3,101,797	-	-	-
British Commercial Bank (see note (b)(xxii) below)	3,085,421	-	-	-
British Commercial Bank (see note (b)(xxiii) below)	3,058,604	-	-	-
	116,751,940	132,094,368	-	-
Current	27,430,292	57,871,204	-	-
Non-current	89,321,648	74,223,164	-	-
	116,751,940	132,094,368	-	-

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 30 SEPTEMBER 2017

- (b) i) The amount of N15,325,073,738.07 (31 December 2016: N15,403,666,005.98 (USD 50,000,000)) represents a secured renewed facility granted by Standard Bank, London repayable after a tenor of 5 years, maturing 30 June 2018 with an interest rate of 3 months LIBOR + 3.0% payable quarterly. The facility is secured by Federal Government of Nigeria bonds.
- ii) The amount of N1,043,894,954.39 (31 December 2016: N1,532,174,680.28 (USD 20,000,000)) represents the outstanding balance of the unsecured convertible facility granted by International Finance Corporation (IFC) repayable after a tenor of 7 years, maturing 29 November 2017 with an interest rate of 6-months LIBOR plus spread of 400-450 basis points payable semi-annually.
- iii) The amount of N2,605,126,985.02 (31 December 2016: N3,830,439,795.51 (USD 50,000,000)) represents the outstanding balance of the unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of 7 years maturing 29 November 2017 with an interest rate of 6-months LIBOR plus spread of 400-450 basis points payable semi-annually.
- iv) The amount of N9,769,626,143.63 (December 2016: N11,489,176,018.84 (USD 50,000,000)) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of 5 years maturing 9 October 2019 with an interest rate of 3 months LIBOR + 3.65%.
- v) The amount of N7,326,614,766.50 (31 December 2016: N8,616,881,963.38 (USD 37,500,000)) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of 5 years maturing 9 October 2019 with an interest rate of 6 months LIBOR + 4.75%.
- vi) The amount of N2,457,120,637.45 (31 December 2016 :N4,825,856,011.94 (USD 15,750,000)) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of 3 years maturing 15 May 2017 with an interest rate of 6 months LIBOR + 5.26%.
- vii) The amount of N5,186,015,183.50 (31 December 2016: N5,943,078,337.36 (USD 25,000,000)) represents an unsecured facility granted by Netherlands Development Finance Company (FMO) repayable after a tenor of 6 years maturing 30 June 2020 with an interest rate of 6 months LIBOR + 4.5%.
- viii) The amount of N5,186,015,183.50 (31 December 2016: N5,943,078,337.36 (USD 25,000,000)) represents an unsecured facility granted by Netherlands Development Finance Company (FMO) repayable after a tenor of 6 years maturing 30 June 2020 with an interest rate of 6 months LIBOR + 4.5%.
- ix) This represents a facility that has been repaid as at 30 September 2017, (December 2016: N1,527,534,015.74 (USD 10,000,000)) granted by Netherlands Development Finance Company (FMO)
- x) The amount of N10,205,775,078.16 December 2016: N10,077,908,417.61 (USD 32,877,500)) represents an unsecured facility granted by European Investment (EIB) repayable after a tenor of 8 years maturing 22 September 2022 with an interest rate of LIBOR plus 4%.
- xi) The amount of N2,012,988,755.77 (31 December 2016 :N1,645,726,986.86 (USD 6,353,472)) represents an unsecured facility granted by Standard Bank, London repayable after a tenor of 1 year maturing 20 June 2018 with an interest rate of 2.6%.
- xii) The amount of N12,248,462,110.05 (31 December 2016 :N16,839,061,704.77 (USD 75,000,000)) represents a facility granted by OPIC, repayable after a tenor of 4 year maturing 15 August 2019 based on weekly certificate interest rate (CIR) payable quarterly.
- xiii) The amount of N27,257,830,710.19 (31 December 2016 : N30,553,398,269.49) represents a facility granted by African Export Import (AFREXIM) Bank, repayable after a tenor of 5 years maturing 14 September 2021 with a nominal interest rate of 7.06% payable quarterly.
- xiv) This represents a facility that has been repaid as at 30 September 2017, (31 December 2016 :N1,257,692,000) granted by Engr. Tajudeen Amoo .
- xv) The amount of N130,907,000 (December 2016: N114,943,000) represents the outstanding balance of the unsecured facilities granted by Financial Derivatives Company Limited at average nominal interest of 17.75% maturing 20 May 2018.
- xvi) The amount of N6,049,654,000 (31 December 2016 : N11,472,265,000) represents a unsecured facility granted by First City Asset Management Limited (FCAM), repayable after a tenor of 1 year maturing 30 September 2018 with an interest rate of 16.67%.
- xvii) This represents a facility that has been repaid as at 30 September 2017, (31 December 2016 :N34,200,000) granted by Lateef Akande.
- xviii) This represents a facility that has been repaid as at 30 June 2017, (31 December 2016 :N40,034,000) granted by Mrs Moyosore.
- xix) This represents a facility that has been repaid as at 30 June 2017, (31 December 2016 :N162,236,000) granted by Rosewood property.
- xx) The amount of N701,012,000 (31 December 2016 :N785,018,000) represents an unsecured facility granted by Micheal Ojo, at interest rate of 14.40%, maturing 19 April 2018.
- xxi) The amount of N3,101,796,578.47 (31 December 2016: Nil) represents an unsecured facility granted by the British Commercial Bank repayable after a tenor of 179 days maturing 8 January 2018 with an interest rate of 6 months LIBOR + 5.2%.
- xxii) The amount of N3,085,420,721.52 (31 December 2016: Nil) represents an unsecured facility granted by the British Commercial Bank repayable after a tenor of 179 days maturing 6 February 2018 with an interest rate of 6 months LIBOR + 5.2%.
- xxiii) The amount of N3,058,603,920.01 (31 December 2016: Nil) represents an unsecured facility granted by the British Commercial Bank repayable after a tenor of 179 days maturing 26 March 2018 with an interest rate of 6 months LIBOR + 5.1%.

The Banking subsidiary has not had any defaults of principal, interest or other breaches with respect to their liabilities during the period.

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In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
(c) Movement in borrowings account during the year was as follows:				
Balance, beginning of the period / year	132,094,368	113,700,194	-	-
Additions during the period / year	9,213,002	33,996,484	-	-
Repayments during the period / year	(25,731,115)	(68,348,938)	-	-
Translation difference	1,175,685	52,746,628	-	-
	116,751,940	132,094,368	-	-
In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
37 On-lending facilities (see note (a) below)				
Bank of industry (BOI)	45,608,940	30,683,610	-	-
Commercial Agriculture Credit Scheme (CACS)	8,998,286	8,998,286	-	-
Micro, Small and Medium Enterprises Development Fund (MSMEDF)	2,517,484	2,517,484	-	-
	57,124,710	42,199,380	-	-
Current	7,164,017	7,164,017	-	-
Non-current	49,960,693	35,035,363	-	-
	57,124,710	42,199,380	-	-
(a) On-lending facilities represents government intervention funds granted by Nigeria government financial institutions, Bank of Industry (BOI) and Central Bank of Nigeria under manufacturing, agriculture, power, small and medium scale companies sectors and Commercial Agriculture Credit Scheme (CACS) respectively for on-lending to the banking subsidiary's qualified customers. These facilities are given to the Banking subsidiary at low interest rates, between 0% - 10%, for on-lending at a low rate specified under the schemes. However, the banking subsidiary bears the credit risk for these facilities.				
The onlending facilities granted at below the market rate were measured at fair value on initial recognition and subsequently at amortised cost. The fair value gain on initial recognition was recognised in the statement of profit or loss.				
(b) Movement in on-lending facilities during the period/year was as follows:	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
Balance, beginning of the period/year	42,199,380	33,846,116	-	-
Additions during the period/year	18,826,785	9,432,449	-	-
Repayments during the period/year	(3,901,455)	(1,079,185)	-	-
Balance, end of the period/year	57,124,710	42,199,380	-	-
38 Debt securities issued				
Debt securities at amortised cost:				
Bond issued (see note (a) below)	56,469,970	54,481,989	-	-
	56,469,970	54,481,989	-	-
Current	966,566	966,566	-	-
Non-current	55,503,404	53,515,423	-	-
	56,469,970	54,481,989	-	-
(a) The amount of N56.47billion (31 December 2016: N54.48billion) represents the amortised cost of additional N5.10billion, N23.19billion and N26billion, 7years, 17.25%, 5 years, 15% and 7 years, 14.25% unsecured corporate bond issued at par in December 2016, November 2015 and November 2014 respectively. The Principal amount is repayable in December 2023, November 2020 and November 2021 respectively, while the coupon is paid semi-annually. The amount represents the first, second and third tranches of a N100 billion debt issuance programme. The Group has not had any defaults of principal or interest or other breaches with respect to its debt securities during the period ended 30 September 2017.				
(c) Movement in Debt securities issued during the period/year was as follows:				
Balance, beginning of the period/year	54,481,989	49,309,394	-	-
Accrued coupon interest for the period/year	3,035,412	963,855	-	-
Additions during the period/year	-	5,072,202	-	-
Coupon interest paid during the period/year	(1,047,431)	(863,462)	-	-
Balance, end of the period/year	56,469,970	54,481,989	-	-
39 Retirement benefit obligations				
<i>Defined contribution scheme</i>				
The Group and its employees make a joint contribution, 18% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. During the period, The Group has complied with the new Pension Reform Act 2014 and up to date payment of the new reviewed employer contribution of 10% remitted while employees' contribution remains at 8%.				
Total contributions to the scheme for the period/year were as follows:				
Balance at start of period/year	17,603	50,544	-	-
Charged to profit or loss (see note 15)	386,204	591,777	4,579	5,786
Employee contribution	308,963	473,422	3,663	4,629
Total amounts remitted	(697,121)	(1,098,140)	(8,242)	(10,415)
At period/year end	15,649	17,603	-	-
Current	15,649	17,603	-	-
Non-current	-	-	-	-
	15,649	17,603	-	-

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In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
40 Other liabilities				
(a) Other financial liabilities:				
Customers' deposit for letters of credits	13,309,055	22,623,659	-	-
Bank cheques/drafts	3,652,026	3,544,274	-	-
Accounts payable - negotiated letters of credits	8,984,652	14,100,305	-	-
Accounts payable - others	25,356,727	28,217,649	10,063	145,852
Accounts payable - unclaimed dividend	577,415	496,955	577,415	496,955
Proceeds from public offers	74,049	73,268	-	-
	51,953,924	69,056,110	587,478	642,807
(b) Other non-financial liabilities:				
Deferred income (see note (d) below)	319,271	248,254	-	-
Accrued expenses	965,226	1,104,669	82,163	161,950
Provision (see note (c) below)	2,182,343	2,343,010	430,227	416,864
	3,466,840	3,695,933	512,390	578,814
	55,420,764	72,752,043	1,099,868	1,221,621
Current	51,302,460	69,056,110	1,099,868	1,221,621
Non-current	4,118,304	3,695,933	-	-
	55,420,764	72,752,043	1,099,868	1,221,621

(c) Movement in provision during the period ended 30 September 2017:

	Claims	Staff Benefits	Other	Total
GROUP				
Balance as at start of period / year	1,016,245	1,096,272	230,493	2,343,010
Additional provisions made during the period / year	-	662,135	1,501,181	2,163,316
Provisions utilised during the period / year	-	(1,316,615)	(1,007,368)	(2,323,983)
Balance as at end of period / year	1,016,245	441,792	724,306	2,182,343
COMPANY				
Balance as at start of period / year	296,643	54,730	65,491	416,864
Additional provisions made during the period / year	-	-	68,093	68,093
Provisions utilised during the period / year	-	(54,730)	-	(54,730)
Balance as at end of period / year	296,643	-	133,584	430,227

Claims: This represents provision reserved for pending probable legal cases that may crystallize.

Staff Benefits: The Group makes provision for staff medical expenses, subscriptions and Stock grant (Cash -settled).

Other: Includes provision for Annual General Meeting (AGM).

(d) Included in deferred income are amounts for financial guarantee contracts which represents the amount initially recognised less cumulative amortisation.

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
41 Share capital				
(a) Authorised				
30billion ordinary shares of 50k each (2016: 30billion)	15,000,000	15,000,000	15,000,000	15,000,000
(b) Issued and fully paid				
19.8billion ordinary shares of 50k each (2016: 19.8billion)	9,901,355	9,901,355	9,901,355	9,901,355

43 Share premium and reserves

The nature and purpose of the reserves in equity are as follows:

- (a) **Share premium:** is the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.
- (b) **Statutory reserve:** Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. However, the Bank transferred 15% of its 'profit after tax to statutory reserves as at year end (31 December 2015: 15%).
- (c) **SSI reserve:** The SSI reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but Banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable.
- (d) **Available for sale reserve (Fair value reserve):** The fair value reserve includes the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.
- (e) **Regulatory risk reserve:** The regulatory risk reserves warehouses the difference between the impairment of loans and advances under the Nigeria GAAP and Central Bank of Nigeria prudential guidelines and the loss incurred model used in calculating the impairment balance under IFRS.
- (f) **Retained earnings:** Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.
- (g) **Revaluation reserve:** The revaluation reserve shows the effects from the fair value measurement of equity instruments elected to be presented in other comprehensive income on initial recognition after deduction of deferred taxes. No gains or losses are recognised in the consolidated income statement.
- (h) **Foreign currency translation reserve (FCTR):** Records exchange movements on the Group's net investment in foreign subsidiaries

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43 Contingencies

(a) Legal Proceedings

The Group in its ordinary course of business is presently involved in 378 cases as a defendant (31 December 2016: 343) and 43 cases as a plaintiff (31 December 2016: 42). The total amount claimed in the 378 cases against the Banking subsidiary is estimated at N82.76billion (31 December 2016: N51.87billion) while the total amount claimed in the 43 cases instituted by the Banking subsidiary is N25.37billion (31 December 2016: N7.70billion). The Directors of the Group are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

(b) Other contingent liabilities and commitments

In common with other banks, the Group conducts business involving acceptances and issuance of performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, 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. Guarantees and letters of credit are given 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 transaction related customs and performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed year, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. 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 contingent risk.

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

In thousands of Naira	GROUP		COMPANY	
	30 SEP 2017	31 DEC 2016	30 SEP 2017	31 DEC 2016
Performance bonds and guarantees	82,774,848	94,047,228	-	-
Clean line letters of credit	55,535,576	65,336,278	-	-
	138,310,424	159,383,506	-	-
Other commitments	51,713	92,563	-	-
	138,362,137	159,476,069	-	-
Current	70,451,051	80,292,603	-	-
Non-current	67,911,086	79,183,466	-	-
	138,362,137	159,476,069	-	-

Clean line letters of credit, which represent irrevocable assurances that the Banking subsidiary will make payments in the event that a customer cannot meet its obligations, carry the same credit risk as loans.

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44 Group subsidiaries and related party transactions

(a) Parent and Ultimate controlling party

FCMB Group Plc is the ultimate parent company and its subsidiaries are as listed in note 44 (b) below.

(b) Subsidiaries:

The Group's effective interests and investments in subsidiaries as at 30 September 2017 are shown below.

Entity		Effective holding	Nominal share capital held N'000	Country of incorporation	Nature of Business
(1) First City Monument Bank Limited	Direct	100%	115,422,326	Nigeria	Banking
(2) FCMB Capital Markets Limited (FCMB CM)	Direct	100%	240,000	Nigeria	Capital Market
(3) CSL Stockbrokers Limited (CSLS)	Direct	100%	3,053,777	Nigeria	Stockbroking
(4) CSL Trustees Limited (CSLT)	Direct	100%	220,000	Nigeria	Trusteeship
(5) FCMB Microfinance Bank Limited (FCMB MFB)	Direct	100%	100,000	Nigeria	Micro-Banking
(6) Credit Direct Limited (CDL)	Indirect	100%	366,210	Nigeria	Micro-lending
(7) FCMB (UK) Limited (FCMB UK)	Indirect	100%	7,791,147	United Kingdom	Banking
(8) First City Asset Management Limited (FCAM)	Indirect	100%	50,000	Nigeria	Asset Management
(9) FCMB Financing SPV Plc.	Indirect	100%	250	Nigeria	Capital Raising

(c) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The carrying amounts of Group subsidiaries' assets and liabilities are N1,134.90billion and N962.62million respectively.

The Group does not have any subsidiary that has material non-controlling interest.

(d) Condensed Financial Information

(i) The condensed financial data of the consolidated entities as at 30 September 2017 were as follows:

RESULTS OF OPERATIONS

<i>In thousands of Naira</i>	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	FCMB MFB LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Interest and discount income	647,996	95,585,823	129,127	228,270	68,357	19,860	96,679,433	(402,864)	96,276,569
Interest expense	-	(46,777,373)	-	-	-	(240)	(46,777,613)	402,864	(46,374,749)
Net interest income	647,996	48,808,450	129,127	228,270	68,357	19,620	49,901,820	-	49,901,820
Other income	273,009	17,546,851	177,067	708,893	156,732	5,813	18,868,365	(140,318)	18,728,047
Operating income	921,005	66,355,301	306,194	937,163	225,089	25,433	68,770,185	(140,318)	68,629,867
Operating expenses	(669,704)	(47,554,126)	(367,427)	(625,135)	(76,904)	(44,076)	(49,337,372)	33,825	(49,303,547)
Provision expense	-	(12,653,677)	5,455	(4,400)	-	(676)	(12,653,298)	-	(12,653,298)
Share of post tax result of associate	-	-	-	-	-	-	-	168,406	168,406
Profit/(loss) before tax	251,301	6,147,498	(55,778)	307,628	148,185	(19,319)	6,779,515	61,913	6,841,428
Income tax expense	-	(1,229,539)	-	(101,525)	(41,419)	-	(1,372,483)	-	(1,372,483)
Profit after tax	251,301	4,917,959	(55,778)	206,103	106,766	(19,319)	5,407,032	61,913	5,468,945
Other comprehensive income	-	691,476	-	29,055	-	-	720,531	-	720,531
Total comprehensive income for the period	251,301	5,609,435	(55,778)	235,158	106,766	(19,319)	6,127,563	61,913	6,189,476

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

FINANCIAL POSITION

<i>In thousands of Naira</i>	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	FCMB MFB LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Assets									
Cash and cash equivalents	4,432,486	117,733,825	313,568	1,576,325	2,367,277	38,834	126,462,315	(6,431,324)	120,030,991
Restricted reserve deposits	-	89,547,089	-	-	-	-	89,547,089	-	89,547,089
Trading assets	-	12,762,360	-	1,465,822	-	-	14,228,182	-	14,228,182
Loans and advances to customers	-	655,095,837	117,605	164,670	17,543	67,073	655,462,728	-	655,462,728
Assets pledged as collateral	-	80,862,730	-	-	-	-	80,862,730	-	80,862,730
Investment securities	5,679,212	103,627,675	832,587	468,643	880,530	45,184	111,533,831	(2,502,395)	109,031,436
Investment in subsidiaries	118,240,772	-	-	-	-	-	118,240,772	(118,240,772)	-
Investment in associates	418,577	-	-	-	-	-	418,577	450,892	869,469
Property and equipment	43,268	31,536,900	22,868	17,296	4,029	8,214	31,632,575	-	31,632,575
Intangible assets and goodwill	160	9,530,854	-	31,804	-	-	9,562,818	205,876	9,768,694
Deferred tax assets	-	7,949,135	25,244	-	-	-	7,974,379	-	7,974,379
Other assets	700,988	17,288,056	116,540	260,589	109,832	9,395	18,485,400	(16,782)	18,468,618
	129,515,463	1,125,934,461	1,428,412	3,985,149	3,379,211	168,700	1,264,411,396	(126,534,505)	1,137,876,891
Financed by:									
Trading liabilities	-	7,711,941	-	-	-	-	7,711,941	-	7,711,941
Derivative liabilities held for risk management	-	-	-	-	-	-	-	-	-
Deposits from banks	-	22,195,636	-	-	-	-	22,195,636	-	22,195,636
Deposits from customers	-	642,695,435	-	-	-	28,548	642,723,983	(6,447,890)	636,276,093
Borrowings	-	116,751,940	-	-	-	-	116,751,940	-	116,751,940
On-lending facilities	-	57,124,710	-	-	-	-	57,124,710	-	57,124,710
Debt securities issued	-	58,972,364	-	-	-	-	58,972,364	(2,502,394)	56,469,970
Retirement benefit obligations	-	15,649	-	-	-	-	15,649	-	15,649
Current income tax liabilities	44,582	2,516,567	56,630	101,564	41,492	1,251	2,762,086	-	2,762,086
Deferred tax liabilities	-	-	25,245	38,043	2,614	-	65,902	-	65,902
Other liabilities	1,099,868	49,739,256	238,584	1,452,210	2,855,394	53,143	55,438,455	(17,691)	55,420,764
Share capital	9,901,355	2,000,000	500,000	943,577	50,000	100,000	13,494,932	(3,593,577)	9,901,355
Share premium	115,392,414	100,846,690	-	1,733,250	170,000	-	218,142,354	(102,749,940)	115,392,414
Retained earnings	3,077,244	35,594,356	607,953	(538,774)	152,945	5,077	38,898,801	(4,432,488)	34,466,313
Other reserves	-	29,769,917	-	255,279	106,766	(19,319)	30,112,643	(6,790,524)	23,322,119
	129,515,463	1,125,934,461	1,428,412	3,985,149	3,379,211	168,700	1,264,411,396	(126,534,505)	1,137,876,891
Acceptances and guarantees	-	138,362,137	-	-	-	-	138,362,137	-	138,362,137
	-	-	-	-	-	-	-	0	0

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

CONDENSED FINANCIAL INFORMATION

(ii) The condensed financial data of the consolidated entities as at 30 September 2016 were as follows:

RESULTS OF OPERATIONS

<i>In thousands of Naira</i>	CSL						TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	FCMB MFB LIMITED			
Interest and discount income	410,879	92,485,141	91,926	548,474	33,225	-	93,569,645	(333,737)	93,235,908
Interest expense	-	(40,045,692)	-	(327,275)	-	-	(40,372,967)	333,737	(40,039,230)
Net interest income	410,879	52,439,449	91,926	221,199	33,225	-	53,196,678	-	53,196,678
Other income	2,897,508	40,969,132	359,417	551,925	173,112	-	44,951,094	(150,000)	44,801,094
Operating income	3,308,387	93,408,581	451,343	773,124	206,337	-	98,147,772	(150,000)	97,997,772
Operating expenses	(1,040,526)	(47,153,409)	(407,554)	(647,931)	(76,069)	-	(49,325,489)	-	(49,325,489)
Provision expense	(450,000)	(33,921,654)	4,790,000	(129,871)	-	-	(34,496,735)	-	(34,496,735)
Profit / (loss) before tax	1,817,861	12,333,518	48,579	(4,678)	130,268	-	14,325,548	(150,000)	14,175,548
Tax	-	(1,088,837)	(16,031)	(46,559)	(42,989)	-	(1,194,416)	-	(1,194,416)
Profit / (loss) after tax	1,817,861	11,244,681	32,548	(51,237)	87,279	-	13,131,132	(150,000)	12,981,132
Other comprehensive income	-	1,450,280	-	35,387	-	-	1,485,667	-	1,485,667
Total comprehensive income for the period	1,817,861	12,694,961	32,548	(15,850)	87,279	-	14,616,799	(150,000)	14,466,799

FINANCIAL POSITION

In thousands of Naira

Assets									
Cash and cash equivalents	8,216,238	138,456,736	868,591	2,001,993	3,195,039	-	152,738,597	(9,570,198)	143,168,399
Restricted reserve deposits	-	139,863,536	-	-	-	-	139,863,536	-	139,863,536
Trading assets	-	9,875,998	-	762,223	-	-	10,638,221	116,735	10,754,956
Derivative assets held for risk management	-	1,413,945	-	-	-	-	1,413,945	-	1,413,945
Loans and advances to customers	-	656,851,783	147,176	104,233	16,785	-	657,119,977	-	657,119,977
Assets pledged as collateral	-	53,287,328	-	-	-	-	53,287,328	-	53,287,328
Investment securities	3,231,772	154,704,862	299,786	1,088,447	880,720	-	160,205,587	(116,736)	160,088,851
Investment in subsidiaries	117,796,361	-	-	-	-	-	117,796,361	(117,796,361)	-
Investment in associates	418,577	-	-	-	-	-	418,577	313,387	731,964.00
Property and equipment	58,317	31,212,938	42,581	30,048	7,118	-	31,351,002	-	31,351,002
Intangible assets and goodwill	1,123	8,941,480	-	33,105	-	-	8,975,708	-	8,975,708
Deferred tax assets	-	8,166,241	22,855	-	-	-	8,189,096	-	8,189,096
Other assets	107,776	26,486,419	140,306	748,007	90,103	-	27,572,611	(1,085,342)	26,487,269
	129,830,164	1,229,261,266	1,521,295	4,768,056	4,189,765	-	1,369,570,546	(128,138,515)	1,241,432,031

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

Financed by:

Trading liabilities	-	2,781,102.00	-	-	-	-	2,781,102	-	2,781,102
Derivative liabilities held for risk management	-	1,158,531	-	-	-	-	1,158,531	-	1,158,531
Deposits from banks	-	47,515,858	-	-	-	-	47,515,858	-	47,515,858
Deposits from customers	-	673,880,090	-	-	-	-	673,880,090	(9,570,198)	664,309,892
Borrowings	-	170,609,015	-	-	-	-	170,609,015	-	170,609,015
On-lending facilities	-	38,765,116	-	-	-	-	38,765,116	-	38,765,116
Debt securities issued	-	51,160,940	-	-	-	-	51,160,940	-	51,160,940
Retirement benefit obligations	-	41,220	-	-	-	-	41,220	-	41,220
Current income tax liabilities	25,231	2,541,311	129,867	46,492	42,989	-	2,785,890	-	2,785,890
Deferred tax liabilities	-	26,874	25,244	34,986	1,545	-	88,649	-	88,649
Other liabilities	1,617,350	79,682,569	217,859	2,840,661	3,711,630	-	88,070,069	(732,066)	87,338,003
Share capital	9,901,355	2,000,000	500,000	943,577	50,000	-	13,394,932	(3,493,577)	9,901,355
Share premium	115,392,414	100,846,691	-	1,733,250	170,000	-	218,142,355	(102,749,941)	115,392,414
Retained earnings	2,893,814	28,244,679	648,325	783,908	213,601	-	31,216,511	2,388,968	33,605,479
Other reserves	-	30,007,270	-	47,002	-	-	29,960,268	(13,981,701)	15,978,567
	129,830,164	1,229,261,266	1,521,295	4,768,056	4,189,765	-	1,369,570,546	(128,138,515)	1,241,432,031
Acceptances and guarantees	-	173,941,377	-	-	-	-	173,941,377	-	173,941,377