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

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

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

		GROUP		COMPANY	
In thousands of Naira	**Note**	**6months ended 30 June 2017**	**6months ended 30 June 2016**	**6months ended 30 June 2017**	**6months ended 30 June 2016**
Gross earnings		**77,508,354**	88,282,956	**568,947**	2,452,143
Interest and discount income	8	**62,353,702**	60,549,979	**415,511**	255,497
Interest expense	9	**(29,856,979)**	(24,005,962)	**-**	-
Net interest income		**32,496,723**	36,544,017	**415,511**	255,497
Fee and commission income	11	**9,465,064**	8,817,052	**-**	-
Fee and commission expense	11	**(2,255,511)**	(1,765,733)	**(8)**	-
Net fee and commission income		**7,209,553**	7,051,319	**(8)**	-
Net trading income	12	**1,357,050**	333,922	**-**	-
Net income from other financial instruments at fair value through profit or loss	13	**103,434**	(20,973)	**-**	-
Other income	14	**4,229,104**	18,602,976	**153,436**	2,196,646
		5,689,588	18,915,925	**153,436**	2,196,646
Net impairment loss on financial assets	10	**(9,971,883)**	(13,488,274)	**-**	(450,000)
Personnel expenses	15	**(11,512,255)**	(12,761,405)	**(105,119)**	(158,487)
Depreciation & amortisation expenses	16	**(2,607,734)**	(2,196,750)	**(11,099)**	(12,473)
General and administrative expenses	17	**(12,253,457)**	(12,312,767)	**(206,307)**	(181,744)
Other operating expenses	18	**(5,334,300)**	(5,463,235)	**(117,140)**	(91,133)
Results from operating activities		**3,716,235**	16,288,830	**129,274**	1,558,306
Share of post tax result of associate	29	**107,986**	-	**-**	-
Profit before minimum tax and income tax		**3,824,221**	16,288,830	**129,274**	1,558,306
Minimum tax	20	**(450,000)**	(450,000)	**-**	-
Income tax expense	20	**(355,371)**	(170,683)	**-**	-
Profit for the period		**3,018,850**	15,668,147	**129,274**	1,558,306
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**37,445**	3,328,167	**-**	-
Net change in fair value of available-for-sale financial assets		**453,251**	(1,946,972)	**-**	-
		490,696	1,381,195	**-**	-
Other comprehensive income for the period, net of tax		**490,696**	1,381,195	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**3,509,546**	17,049,342	**129,274**	1,558,306
Profit attributable to:					
Equity holders of the Company		**3,018,850**	15,668,147	**129,274**	1,558,306
Non-controlling interests		**-**	-	**-**	-
		3,018,850	15,668,147	**129,274**	1,558,306
Total comprehensive income attributable to:					
Equity holders of the Company		**3,509,546**	17,049,342	**129,274**	1,558,306
Non-controlling interests		**-**	-	**-**	-
		3,509,546	17,049,342	**129,274**	1,558,306
Basic and diluted earnings per share (Naira)	19	**0.30**	1.58	**0.01**	0.16

FCMB GROUP PLC

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

		GROUP				COMPANY			
		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE	
		2017	2016	2017	2016	2017	2016	2017	2016
	NOTE	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross Earnings		**39,046,146**	53,941,640	**77,508,354**	88,304,120	**347,236**	2,400,228	**568,947**	2,452,143
Interest income	2	**32,493,018**	32,045,070	**62,353,702**	60,549,979	**206,715**	172,560	**415,511**	255,497
Interest expense	3	**(15,534,200)**	(12,659,953)	**(29,856,979)**	(24,005,962)	**-**	-	**-**	-
Net interest income		**16,958,818**	19,385,117	**32,496,723**	36,544,017	**206,715**	172,560	**415,511**	255,497
Fee and commission income	5	**4,990,203**	4,672,488	**9,465,064**	8,817,052	**-**	-	**-**	-
Fee and commission expense		**(1,233,799)**	(1,001,480)	**(2,255,511)**	(1,765,733)	**-**	-	**(8)**	-
Net fee and commission income		**3,756,404**	3,671,008	**7,209,553**	7,051,319	**-**	-	**(8)**	-
Net trading income		**698,782**	285,799	**1,357,050**	334,113	**-**	-	**-**	-
Net income /(losses) from financial instr. at fair value through profit or loss		**103,434**	-	**103,434**	-	**-**	-	**-**	-
Other revenue		**760,709**	16,938,283	**4,229,104**	18,602,976	**140,521**	2,227,668	**153,436**	2,196,646
Revenue		**1,562,925**	17,224,082	**5,689,588**	18,937,089	**140,521**	2,227,668	**153,436**	2,196,646
Net impairment loss on loans and advances, banks & other assets	7	**(5,013,847)**	(9,956,742)	**(9,971,883)**	(13,488,274)	**-**	(450,000)	**-**	(450,000)
Personnel expenses	8	**(5,429,003)**	(6,217,320)	**(11,512,255)**	(12,761,405)	**(65,000)**	(106,105)	**(105,119)**	(158,487)
Depreciation & amortisation expenses	4	**(1,322,990)**	(1,103,955)	**(2,607,734)**	(2,196,750)	**(5,506)**	(6,462)	**(11,099)**	(12,473)
Gen & Admin	8	**(6,056,413)**	(6,230,524)	**(12,253,457)**	(12,312,767)	**(117,949)**	(99,842)	**(206,307)**	(181,744)
Other expenses	8	**(2,648,416)**	(2,669,015)	**(5,334,300)**	(5,463,235)	**(81,820)**	(54,477)	**(117,140)**	(91,133)
Results from operating activities		**1,807,478**	14,102,651	**3,716,235**	16,309,994	**76,961**	1,683,342	**129,274**	1,558,306
Share of post tax result of associate		**32,646**	-	**107,986**	-	**-**	-	**-**	-
Profit before minimum tax and income tax		**1,840,124**	14,102,651	**3,824,221**	16,309,994	**76,961**	1,683,342	**129,274**	1,558,306
Minimum tax		**(225,000)**	(225,000)	**(450,000)**	(450,000)	**-**	-	**-**	-
Income tax expense		**(177,568)**	166,259	**(355,371)**	(170,683)	**-**	-	**-**	-
Profit for the period		**1,437,556**	14,043,910	**3,018,850**	15,689,311	**76,961**	1,683,342	**129,274**	1,558,306
Other comprehensive income, net of income tax:									
Foreign currency translation differences for foreign operations		**(18,113)**	3,376,562	**37,445**	3,328,167	**-**	-	**-**	-
Net change in fair value of available-for-sale financial assets		**(28,136)**	(769,524)	**453,251**	(1,946,972)	**-**	-	**-**	-
Other comprehensive income for the period, net of tax		**(46,249)**	2,607,038	**490,696**	1,381,195	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,391,307**	16,650,948	**3,509,546**	17,070,506	**76,961**	1,683,342	**129,274**	1,558,306
Profit attributable to:									
Equity holders of the Company		**1,437,556**	14,043,910	**3,018,850**	15,689,311	**76,961**	1,683,342	**129,274**	1,558,306
Non-controlling interests		**-**	-	**-**	-	**-**	-	**-**	-
		1,437,556	14,043,910	**3,018,850**	15,689,311	**76,961**	1,683,342	**129,274**	1,558,306
Total comprehensive income attributable to:									
Equity holders of the Company		**1,391,307**	16,650,948	**3,509,546**	17,070,506	**76,961**	1,683,342	**129,274**	1,558,306
Non-controlling interests		**-**	-	**-**	-	**-**	-	**-**	-
		1,391,307	16,650,948	**3,509,546**	17,070,506	**76,961**	1,683,342	**129,274**	1,558,306
Basic and diluted earnings per share (naira)		**0.29**	2.84	**0.30**	1.58	**0.02**	0.34	**0.01**	0.16

FCMB GROUP PLC

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

		GROUP				COMPANY			
		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE	
		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	**113,186**	320,237	**372,186**	402,223	**121,776**	83,752	**232,009**	156,664
	Loans and advances to customers	**26,221,285**	26,092,173	**50,828,420**	49,993,471	**-**	-	**-**	-
	Investments in government & other securities;								
	– Available for sale	**2,214,212**	2,014,964	**3,383,053**	3,573,548	**-**	-	**-**	-
	– Held for trading	**84,326**	34,301	**136,598**	54,925	**-**	-	**-**	-
	– Held to maturity	**3,860,009**	3,583,395	**7,633,445**	6,525,812	**84,939**	88,808	**183,502**	98,833
		32,493,018	32,045,070	**62,353,702**	60,549,979	**206,715**	172,560	**415,511**	255,497
3	**Interest expense**								
	Deposits from banks	**1,801,869**	637,716	**2,063,947**	800,683	**-**	-	**-**	-
	Deposits from customers	**8,266,013**	6,708,491	**17,062,008**	13,954,917	**-**	-	**-**	-
		10,067,882	7,346,207	**19,125,955**	14,755,600	**-**	-	**-**	-
	Borrowings	**2,973,254**	3,277,855	**5,819,428**	5,286,598	**-**	-	**-**	-
	Debt issues securities	**2,071,198**	1,785,875	**4,119,768**	3,508,504	**-**	-	**-**	-
	Onlending facitilies	**421,866**	250,016	**791,828**	455,260	**-**	-	**-**	-
		15,534,200	12,659,953	**29,856,979**	24,005,962	**-**	-	**-**	-
4	**Impairment charge for credit losses**								
	Loans and advances to customers								
	Increase in specific impairment	**3,584,231**	8,141,918	**3,994,138**	8,840,050	**-**	-	**-**	-
	Increase in collective impairment	**2,216,491**	127,321	**7,769,155**	2,944,463	**-**	-	**-**	-
	Reversal of specific impairment	**-**	(1,867,604)	**-**	(1,867,604)	**-**	-	**-**	-
	Income received on claims previously written off	**(1,067,635)**	(786,070)	**(2,279,015)**	(997,724)	**-**	-	**-**	-
		4,733,087	5,615,565	**9,484,278**	8,919,185	**-**	-	**-**	-
	Other assets & AFS								
	Increase / (writeback) in impairment	**280,760**	3,891,177	**487,605**	4,119,089	**-**	-	**-**	-
	Impairment for investment securities avaliable for sale	**-**	-	**-**	-	**-**	-	**-**	-
	Goodwill/Subsidiary	**-**	450,000	**-**	450,000	**-**	450,000	**-**	450,000
		280,760	4,341,177	**487,605**	4,569,089	**-**	450,000	**-**	450,000
		5,013,847	9,956,742	**9,971,883**	13,488,274	**-**	450,000	**-**	450,000
5	**Net fee and commission income**								
	Credit related fees	**62,114**	85,611	**106,415**	166,356	**-**	-	**-**	-
	Account Maintenance	**738,452**	633,133	**1,464,151**	1,374,037	**-**	-	**-**	-
	Letters of credit commission	**299,865**	212,261	**460,680**	292,888	**-**	-	**-**	-
	Commission on off-balance sheet transactions	**42,118**	97,613	**85,897**	153,564	**-**	-	**-**	-
	Cards & Service fees and commissions	**3,847,654**	3,643,870	**7,347,921**	6,830,207	**-**	-	**-**	-
	Gross Fee and commission income	**4,990,203**	4,672,488	**9,465,064**	8,817,052	**-**	-	**-**	-
	Card and other recoverable expenses	**(1,099,048)**	(890,010)	**(2,037,559)**	(1,500,995)	**-**	-	**-**	-
	Other banks charges	**(134,751)**	(111,470)	**(217,952)**	(264,738)	**-**	-	**(8)**	-
	Fee and commission expense	**(1,233,799)**	(1,001,480)	**(2,255,511)**	(1,765,733)	**-**	-	**(8)**	-
	Net fee and commission income	**3,756,404**	3,671,008	**7,209,553**	7,051,319	**-**	-	**(8)**	-
	Net trading income								
	Foreign exchange trading income	**107,899**	-	**350,602**	-	**-**	-	**-**	-
	Bonds trading (loss) / income	**38,799**	70,650	**150,356**	52,025	**-**	-	**-**	-
	Treasury bills trading income	**524,025**	210,952	**828,033**	282,088	**-**	-	**-**	-
	Equities trading income	**28,059**	4,197.00	**28,059**	-	**-**	-	**-**	-
		698,782	285,799	**1,357,050**	334,113	**-**	-	**-**	-
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	**-**	-	**-**	-	**-**	-	**-**	-
	Fair value gain on derivative financial instruments held	**103,434**	-	**103,434**	-	**-**	-	**-**	-
		103,434	-	**103,434**	-	**-**	-	**-**	-
7	**Other revenue**								
	Dividends on equity investment securities in the subsidiaries	**-**	-	**-**	-	**-**	150,000	**-**	150,000
	Dividends on unquoted equity securities at cost	**492,919**	182,943	**533,181**	233,977	**121,924**	-	**121,924**	-
	Foreign exchange gains	**33,092**	16,726,112	**603,841**	18,281,800	**(4,354)**	2,077,366	**8,410**	2,046,281
	Profit on disposal of investment securities	**-**	-	**-**	2,980	**-**	-	**-**	-
	Loss on disposal of subsidiaries	**-**	-	**-**	-	**-**	-	**-**	-
	Profit / (loss) on sale of property and equipment	**(10,277)**	16,728	**1,079,547**	60,320	**-**	302	**46**	365
	Other income	**244,975**	12,500	**2,012,535**	23,899	**22,951**	-	**23,056**	-
		760,709	16,938,283	**4,229,104**	18,602,976	**140,521**	2,227,668	**153,436**	2,196,646
8	**Other operating expenses**								
	Personnel expenses	**5,429,003**	6,217,320	**11,512,255**	12,761,405	**65,000**	106,105	**105,119**	158,487
	Depreciation	**1,026,604**	961,890	**2,060,014**	1,919,771	**5,266**	6,222	**10,618**	11,992
	Amortisation	**296,386**	142,065	**547,720**	276,979	**240**	240	**481**	481
	Gen & Admin	**6,056,413**	6,230,524	**12,253,457**	12,312,767	**117,949**	99,842	**206,307**	181,744
	Other expenses	**2,648,416**	2,669,015	**5,334,300**	5,463,235	**81,820**	54,477	**117,140**	91,133
		15,456,822	16,220,814	**31,707,746**	32,734,157	**270,275**	266,886	**439,665**	443,837
	Earnings per share								
	Profit attributable to equity holders of the Company	**1,437,556**	14,043,910	**3,018,850**	15,689,311	**76,961**	1,683,342	**129,274**	1,558,306
	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)	0.29	2.84	0.30	1.58	0.02	0.34	0.01	0.16

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 JUN 2017**	**31 DEC 2016**	**30 JUN 2017**	**31 DEC 2016**
ASSETS					
Cash and cash equivalents	21	**104,642,774**	108,104,632	**4,968,624**	5,817,754
Restricted reserve deposits	22	**155,516,707**	139,460,914	**-**	-
Trading assets	23(a)	**10,536,024**	9,154,198	**-**	-
Derivative assets held for risk management	24	**-**	1,018,912	**-**	-
Loans and advances to customers	25	**649,198,954**	659,937,237	**-**	-
Assets pledged as collateral	27	**58,430,304**	59,107,132	**-**	-
Investment securities	26	**127,389,987**	128,441,676	**5,925,928**	4,844,200
Investment in subsidiaries	28	**-**	-	**118,240,772**	118,140,772
Investment in associates	29	**775,720**	846,512	**418,577**	418,577
Property and equipment	30	**32,227,282**	32,283,226	**48,534**	59,468
Intangible assets and goodwill	31	**9,919,572**	9,672,530	**401**	882
Deferred tax assets	32	**7,974,379**	7,971,990	**-**	-
Other assets	33	**20,710,389**	16,779,119	**7,274**	2,084,532
Total assets		**1,177,322,092**	1,172,778,078	**129,610,110**	131,366,185
LIABILITIES					
Trading liabilities	23(b)	**-**	6,255,933	**-**	-
Derivative liabilities held for risk management	24	**-**	770,201	**-**	-
Deposits from banks	34	**76,312,878**	24,798,296	**-**	-
Deposits from customers	35	**633,476,707**	657,609,807	**-**	-
Borrowings	36	**112,728,931**	132,094,368	**-**	-
On-lending facilities	37	**51,360,927**	42,199,380	**-**	-
Debt securities issued	38	**59,558,340**	54,481,989	**-**	-
Retirement benefit obligations	39	**87,358**	17,603	**-**	-
Current income tax liabilities	20(ii)	**2,221,059**	2,859,562	**44,582**	44,582
Deferred tax liabilities	32	**65,902**	65,902	**-**	-
Other liabilities	40	**61,107,720**	72,752,043	**1,316,542**	1,221,621
Total liabilities		**996,919,822**	993,905,084	**1,361,124**	1,266,203
EQUITY					
Share capital	41(b)	**9,901,355**	9,901,355	**9,901,355**	9,901,355
Share premium	42	**115,392,414**	115,392,414	**115,392,414**	115,392,414
Retained earnings	42	**29,960,548**	32,458,239	**2,955,217**	4,806,213
Other reserves	42	**25,147,954**	21,120,986	**-**	-
		180,402,270	178,872,994	**128,248,986**	130,099,982
Total liabilities and equity		**1,177,322,092**	1,172,778,078	**129,610,110**	131,366,185
Acceptances and guarantees	43(a)	**135,106,164**	159,476,069	**-**	-

The financial statements and the accompanying notes and significant accounting policies were approved by the Board of Directors on 27 July 2017 and signed on its behalf by:

Ladi O Balogun
Group Chief Executive
FRC/2013/IODN/00000001460

Kayode Adewuyi
Chief Financial Officer
FRC/2014/ICAN/00000006884

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

GROUP

In thousands of Naira

	Share capital	Share premium	Retained earnings	Statutory 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	-	-	3,018,850	-	-	-	-	3,018,850
Transfer to statutory reserve	-	-	(19,391)	19,391	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	37,445	453,251	-	490,696
Total comprehensive income for the period	-	-	2,999,459	19,391	37,445	453,251	-	3,509,546
Transactions with owners recorded directly in equity								
Contributions by and distributions								
Transfer from regulatory risk reserve	-	-	(3,516,881)	-	-	-	3,516,881	-
Dividend paid	-	-	(1,980,270)	-	-	-	-	(1,980,270)
Total Contributions by and distributions	**-**	**-**	**(5,497,151)**	**-**	**-**	**-**	**3,516,881.00**	**(1,980,270)**
Balance at 30 June 2017	**9,901,355**	**115,392,414**	**29,960,548**	**7,773,202**	**5,833,075**	**1,746,274**	**9,795,403**	**180,402,270**
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	-	-	15,668,147	-	-	-	-	**15,668,147**
Transfer to statutory reserve	-	-	(704,990)	704,990	-	-	-	**-**
Other comprehensive income, net of tax	-	-	-	-	3,328,167	(1,946,972)	-	**1,381,195**
Total comprehensive income for the period	**-**	**-**	**14,963,157**	**704,990**	**3,328,167**	**(1,946,972)**	**-**	**17,049,342**
Transactions with owners recorded directly in equity								
Contributions by and distributions								
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	**-**
Dividend paid	-	-	-	-	-	-	-	**-**
Subsidaries transfer to other reserves			-	-			-	**-**
Total Contributions by and distributions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2016	**9,901,355**	**115,392,414**	**32,144,594**	**6,719,573**	**4,904,322**	**(557,570)**	**10,935,941**	**179,440,629**

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

COMPANY

In thousand of Naira

	Share capital	Share premium	Retained earnings	Statutory 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	-	-	129,274	-	-	-	-	**129,274**
Transfer to statutory reserve			-	-	-	-	-	**-**
Other comprehensive income, net of tax	-	-	-	-	-	-	-	**-**
Total comprehensive income for the period	-	-	129,274	-	-	-	-	**129,274**
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 June 2017	**9,901,355**	**115,392,414**	**2,955,217**	**-**	**-**	**-**	**-**	**128,248,986**
Balance at 1 January 2016	**9,901,355**	**115,392,414**	**3,056,224**	**-**	**-**	**-**	**-**	**128,349,993**
Profit for the period	-	-	1,558,306	-	-	-	-	**1,558,306**
Transfer to statutory reserve			-	-	-	-	-	**-**
Other comprehensive income, net of tax	-	-	-	-	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	**1,558,306**	**-**	**-**	**-**	**-**	**1,558,306**
Transactions with owners recorded directly in equity								
Contributions by and distributions								
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	**-**
Dividend paid	-	-	-	-	-	-	-	**-**
Total Contributions by and distributions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2016	**9,901,355**	**115,392,414**	**4,614,530**	**-**	**-**	**-**	**-**	**129,908,299**

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 JUNE 2017

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 JUN 2017**	**30 JUN 2016**	**30 JUN 2017**	**30 JUN 2016**
Cash flows from operating activities					
Profit for the period		**3,018,850**	15,668,147	**129,274**	1,558,306
Adjustments for:					
Net impairment loss on financial assets	10	**9,971,883**	13,488,274	**-**	450,000
Fair value gain on financial assets held for trading		**(10,889)**	76,219	**-**	-
Net income from other financial instruments at fair value through profit or loss	13	**(103,434)**	20,973	**-**	-
Depreciation and amortisation	16	**2,607,734**	2,196,750	**11,099**	12,473
Loss / (gain) on disposal of property and equipment and intangible assets	14	**(1,079,547)**	(60,320)	**(46)**	(365)
Loss / (gain) on disposal of investment securities	14	**-**	(2,980)	**-**	-
Share of profit of associates		**-**	-	**-**	-
Foreign exchange gains	14	**(603,841)**	(18,281,800)	**(8,410)**	(2,046,281)
Net interest income		**(32,496,723)**	(36,544,017)	**(415,511)**	(255,497)
Dividend income		**(533,181)**	(233,977)	**(121,924)**	(150,000)
Tax expense	20	**805,371**	620,683	**-**	-
		(18,423,777)	(23,052,048)	**(405,518)**	(431,364)
Changes in operating assets and liabilities					
Net (increase)/decrease in restricted reserve deposits		**(16,055,793)**	(26,208,655)	**-**	-
Net (increase)/decrease derivative assets held for risk management		**1,018,912**	(502,685)	**-**	-
Net (increase)/decrease trading assets		**(1,380,266)**	(9,247,257)	**-**	-
Net (increase)/decrease loans and advances to customers		**12,549,454**	(64,063,586)	**-**	-
Net (increase)/decrease in other assets		**(3,931,270)**	(14,386,105)	**2,077,258**	1,315,256
Net increase/(decrease) in trading liabilities		**6,255,933**	-	**-**	-
Net increase/(decrease) in deposits from banks		**51,514,582**	36,436,480	**-**	-
Net increase/(decrease) in deposits from customers		**(24,133,100)**	(10,871,411)	**-**	-
Net increase/(decrease) in on-lending facilities		**8,567,071**	(455,348)	**-**	-
Net increase/(decrease) in derivative liabilities held for risk management		**(770,201)**	455,471	**-**	-
Net Increase/(decrease) in other liabilities		**(12,439,231)**	58,524,430	**89,753**	166,977
		2,772,314	(53,370,715)	**1,761,493**	1,050,869
Interest received		**67,879,465**	71,456,901	**415,511**	215,341
Interest paid		**(29,779,562)**	(21,778,379)	**-**	-
Dividends received	14	**533,181**	(440,853)	**121,924**	-
VAT paid		**(258,270)**	(1,906,125)	**-**	-
Income taxes paid	20(ii)	**(712,717)**	-	**-**	-
Net cash used in operating activities		**40,434,411**	(6,039,171)	**2,298,928**	1,266,210
Cash flows from investing activities					
Dividends received		**-**	233,977	**-**	150,000
Purchase of property and equipment	30	**(4,363,613)**	(2,153,390)	**(357)**	(54,050)
Purchase of intangible assets	31(a)	**(748,414)**	(241,847)	**-**	-
Proceeds from sale of property and equipment		**2,103,744**	167,932	**720**	565
Acquisition of investment securities		**(15,359,418)**	(81,056,451)	**(830,095)**	(263,502)
Proceeds from sale and redemption of investment securities		**17,043,977**	52,807,346	**-**	-
Net cash generated from investing activities		**(1,323,724)**	(30,242,433)	**(829,732)**	(166,987)
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)	**-**	2,210,386	**-**	-
Repayment of long term borrowing	36(c)	**(19,669,112)**	(2,382,280)	**-**	-
Net cash generated from financing activities		**(21,649,382)**	(2,152,165)	**(1,980,270)**	(1,980,271)
Net (decrease)/Increase in cash and cash equivalents		**17,461,304**	(38,433,769)	**(511,074)**	(881,048)
Cash and cash equivalents at start of period	21	**108,104,632**	180,921,698	**5,817,754**	7,231,196
Effect of exchange rate fluctuations on cash and cash equivalents held		**(20,923,162)**	11,812,056	**(338,056)**	1,397,612
Cash and cash equivalents at end of year	21	**104,642,774**	154,299,985	**4,968,624**	7,747,760

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 June 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 avaliable-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 classfies 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 assets(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.

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.

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

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

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 facilties 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 seperately 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 or 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 JUNE 2017

		GROUP		COMPANY	
In thousands of Naira		**6months ended 30 June 2017**	**6months ended 30 June 2016**	**ended 30 June 2017**	**6months ended 30 June 2016**
8	**Interest and discount income**				
	Cash and cash equivalents	**372,186**	402,223	**232,009**	156,664
	Loans and advances to customers	**50,828,420**	49,993,471	**-**	-
	Investments in government & corporate securities:				
	– Available for sale	**3,383,053**	3,573,548	**-**	-
	– Held for trading	**136,598**	54,925	**-**	-
	– Held to maturity	**7,633,445**	6,525,812	**183,502**	98,833
		62,353,702	60,549,979	**415,511**	255,497
9	**Interest expense**				
	Deposits from banks	**2,063,947**	800,683	**-**	-
	Deposits from customers	**17,062,008**	13,954,917	**-**	-
		19,125,955	14,755,600	**-**	-
	Borrowings	**5,819,428**	5,286,598	**-**	-
	Debt securities issued	**4,119,768**	3,508,504	**-**	-
	Onlending facitilies	**791,828**	455,260	**-**	-
		29,856,979	24,005,962	**-**	-
10	**Net impairment loss on financial assets**				
(a)	**Loans and advances to customers**				
	Specific impairment charge (see note 25 (b (i)))	**3,994,138**	8,840,050	**-**	-
	Collective impairment charge (see note 25 (b (ii)))	**7,769,155**	2,944,463	**-**	-
	Reversal of specific impairment (see note 25 (b (i)))	**-**	(1,867,604)	**-**	-
	Recoveries on loans previously written off	**(2,279,015)**	(997,724)	**-**	-
		9,484,278	8,919,185	**-**	-
(b)	**Other assets**				
	Impairment charge (see note 33(c))	**487,605**	4,119,089	**-**	-
		487,605	4,119,089	**-**	-
(c)	**Investment in subsidiary/Goodwill**				
	Impairment charge	**-**	450,000	**-**	450,000
		-	450,000	**-**	450,000
		9,971,883	13,488,274	**-**	450,000

		GROUP		COMPANY	
In thousands of Naira		**6months ended 30 June 2017**	**6months ended 30 June 2016**	**ended 30 June 2017**	**6months ended 30 June 2016**
11	**Net fee and commission income**				
	Credit related fees	**106,415**	166,356	**-**	-
	Account Maintenance	**1,464,151**	1,374,037	**-**	-
	Letters of credit commission	**460,680**	292,888	**-**	-
	Commission on off-balance sheet transactions	**85,897**	153,564	**-**	-
	Cards & Service fees and commissions	**7,347,921**	6,830,207	**-**	-
	Gross Fee and commission income	**9,465,064**	8,817,052	**-**	-
	Card and cheque books recoverable expenses	**(2,037,559)**	(1,500,995)	**-**	-
	Other banks charges	**(217,952)**	(264,738)	**(8)**	-
	Fee and commission expense	**(2,255,511)**	(1,765,733)	**(8)**	-
	Net fee and commission income	**7,209,553**	7,051,319	**(8)**	-

The fees and commission income reported above excludes amount included in determining effective interest rates on assets or liabilities that are not carried at fair value throught profit or loss.

12	**Net trading income**				
	Foreign exchange trading income	**350,602**	-	**-**	-
	Bonds trading income	**150,356**	52,025	**-**	-
	Treasury bills trading income	**828,033**	282,088	**-**	-
	Options & Equities trading income	**28,059**	(191)	**-**	-
		1,357,050	333,922	**-**	-
13	**Net income from other financial instruments at fair value through profit or loss**				
	Net income arising on:				
	Fair value gain on derivative financial instruments held for risk management	**103,434**	-	**-**	-
	Impairment for investment securities avaliable for sale	**-**	(20,973)	**-**	-
		103,434	(20,973)	**-**	-

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FOR THE PERIOD ENDED 30 JUNE 2017

In thousands of Naira	GROUP 6months ended 30 June 2017	GROUP 6months ended 30 June 2016	COMPANY ended 30 June 2017	COMPANY 6months ended 30 June 2016
14 Other income				
Dividends on equity investment securities in the subsidiaries	**-**	-	**-**	150,000
Dividends on unquoted equity securities at cost	**533,181**	233,977	**121,924**	-
Foreign exchange gains (see note (a) below)	**603,841**	18,281,800	**8,410**	2,046,281
Profit on disposal of investment securities	**-**	2,980	**-**	-
Gain on sale of property and equipment	**1,079,547**	60,320	**46**	365
Other income (see note (d) below)	**2,012,535**	23,899	**23,056**	-
	4,229,104	18,602,976	**153,436**	2,196,646

(a) This amount represents foreign exchange revaluation gain/(loss) due to naira devaluation.

(b) Other income comprises:

Rental income	**386,835**	18,273	**-**	-
Recoveries	**1,625,700**	5,626	**-**	-
Shared services income	**-**	-	**23,056**	-
	2,012,535	23,899	**23,056**	-

In thousands of Naira	GROUP 6months ended 30 June 2017	GROUP 6months ended 30 June 2016	COMPANY ended 30 June 2017	COMPANY 6months ended 30 June 2016
15 Personel expenses				
Short term employee benefits	**9,341,529**	10,912,819	**96,428**	147,674
Contributions to defined contribution plans (see note 39)	**263,380**	304,869	**2,871**	4,047
Non-payroll staff cost	**1,907,346**	1,543,717	**5,820**	6,766
	11,512,255	12,761,405	**105,119**	158,487

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)	**547,720**	276,979	**481**	481
Depreciation of property and equipment (see note 30)	**2,060,014**	1,919,771	**10,618**	11,992
	2,607,734	2,196,750	**11,099**	12,473

In thousands of Naira	GROUP 6months ended 30 June 2017	GROUP 6months ended 30 June 2016	COMPANY ended 30 June 2017	COMPANY 6months ended 30 June 2016
17 General and administrative expenses				
Communication, stationery and postage	**913,945**	1,049,292	**5,165**	6,760
Business travel expenses	**443,403**	571,476	**6,208**	2,222
Advert, promotion and corporate gifts	**993,600**	1,155,384	**893**	810
Business premises and equipment costs	**2,157,748**	2,026,368	**11,229**	9,724
Directors' emoluments and expenses	**501,481**	511,612	**122,547**	93,907
IT expenses	**1,453,813**	1,411,786	**3,761**	1,393
Contract Services and training expenses	**2,564,694**	2,644,755	**934**	1,600
Vehicles maintenance expenses	**738,110**	699,284	**1,495**	2,469
Security expenses	**1,065,268**	1,015,808	**-**	-
Auditors' remuneration	**159,959**	140,591	**17,500**	17,500
Professional charges	**1,261,436**	1,086,411	**36,575**	45,359
	12,253,457	12,312,767	**206,307**	181,744
18 Other operating expenses				
NDIC Insurance Premium & other insurances	**1,755,053**	1,843,879	**1,974**	2,820
AMCON Expenses	**2,827,879**	2,810,150	**-**	-
Others (see note (a) below)	**751,368**	809,206	**115,166**	88,313
	5,334,300	5,463,235	**117,140**	91,133
(a) Others comprises:				
AGM, meetings and shareholders expenses	**180,920**	150,605	**108,170**	82,771
Donation and sponsorship expenses	**177,066**	104,802	**-**	-
Entertainment expenses	**129,176**	150,547	**2,446**	2,202
Fraud and forgery expense	**12,775**	18,444	**-**	-
Rental expenses	**86,844**	138,666	**4,489**	3,340
Other accounts written off	**45,892**	39,946	**61**	-
Provision for litigation	**111,016**	206,090	**-**	-
Penalty	**7,680**	106	**-**	-
	751,369	809,206	**115,166**	88,313

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		GROUP		COMPANY	
In thousands of Naira		6months ended 30 June 2017	6months ended 30 June 2016	ended 30 June 2017	6months ended 30 June 2016
19	**Earnings per share**				
	Basic and diluted earnings per share				
	Profit attributable to equity holders	3,018,850	15,668,147	129,274	1,558,306
	Weighted average number of ordinary shares in issue	19,802,710	19,802,710	19,802,710	19,802,710
		0.30	1.58	0.01	0.16
	Group does not have dilutive potential ordinary shares as at 30 June 2017 (June 2016: nil).				
20	**Tax expense**				
(i)	**Current tax expense:**				
	Minimum tax (see note 20(ii))	450,000	450,000	-	-
	National Information Technology Development Agency (NITDA) levy (see note 20(ii))	-	-	-	-
	Tertiary education tax (see note 20(ii))	-	-	-	-
	Corporate income tax (see note 20(ii))	355,371	170,683	-	-
	Income tax expense	355,371	170,683	-	-
	Total tax expense	805,371	620,683	-	0

		GROUP		COMPANY	
In thousands of Naira		30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
(ii)	**Current income tax liability**				
	Beginning of the period / year	2,859,562	3,497,954	44,582	25,231
	Tax paid	(712,717)	(1,935,705)	-	-
	Tax refund	(731,157)	(424,971)	-	-
	Minimum tax	450,000	988,364	-	-
	National Information Technology Development Agency (NITDA) levy	-	159,471	-	19,351
	Tertiary education tax	-	35,014	-	-
	Income tax expense	355,371	539,435	-	-
		2,221,059	2,859,562	44,582	44,582
	Current	2,221,059	2,859,562	44,582	44,582
	Non-current	-	-	-	-
		2,221,059	2,859,562	44,582	44,582

		GROUP		COMPANY	
In thousands of Naira		30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
21	**Cash and cash equivalents**				
	Cash	36,575,990	27,925,361	-	-
	Current balances within Nigeria	2,845,502	4,152,938	27,249	202,180
	Current balances outside Nigeria	44,165,320	53,217,994	-	-
	Placements with local banks	1,585,782	6,629,419	4,941,375	5,615,574
	Placements with foreign banks	10,785,124	10,309,203	-	-
	Unrestricted balances with Central bank	8,685,056	5,869,717	-	-
		104,642,774	108,104,632	4,968,624	5,817,754
	Current	104,642,774	108,104,632	4,968,624	5,817,754
	Non-current	-	-	-	-
		104,642,774	108,104,632	4,968,624	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.

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FOR THE PERIOD ENDED 30 JUNE 2017

In thousands of Naira	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
22 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks	155,516,707	139,460,914	-	-
	155,516,707	139,460,914	-	-
Current	-	-	-	-
Non-current	155,516,707	139,460,914	-	-
	155,516,707	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.

In thousands of Naira	GROUP		COMPANY	
23(a) Trading assets	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
Federal Government of Nigeria Bonds - listed	1,363,244	990,508	-	-
Treasury bills - listed	9,062,087	8,053,007	-	-
Equity securities	110,693	110,683	-	-
	10,536,024	9,154,198	-	-
Current	10,536,024	9,154,198	-	-
Non-current	-	-	-	-
	10,536,024	9,154,198	-	-
(b) Trading liabilities				
Short sold positions - Federal Government of Nigeria Bonds	-	1,872,112	-	-
Short sold positions - Treasury bills	-	4,383,821	-	-
	-	6,255,933	-	-
Current	-	6,255,933	-	-
Non-current	-	-	-	-
	-	6,255,933	-	-

In thousands of Naira	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 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

In thousands of Naira	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
25 Loans and advances to customers				
(a) Loans and advances to customers at amortised cost	663,143,148	661,940,976	-	-
Finance leases at amortised cost	18,542,085	18,542,085	-	-
Gross loans and advances	681,685,233	680,483,061	-	-
Less allowance for impairment	(32,486,279)	(20,545,824)	-	-
	649,198,954	659,937,237	-	-
Current	356,413,357	355,211,185	-	-
Non-current	292,785,597	304,726,052	-	-
	649,198,954	659,937,237	-	-

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

In thousands of Naira	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
(b) Movement in allowances for impairment				
(i) Specific allowances for impairment				
Balance at 1 January	**6,524,600**	11,488,991	**-**	-
Impairment loss for the year:				
Charge for the period (See Note 10(a))	**3,994,138**	10,628,404	**-**	-
Write offs	**-**	(15,592,795)	**-**	-
	10,518,738	6,524,600	**-**	-
(ii) Collective allowances for impairment				
Balance at 1 January	**14,021,224**	6,613,293	**-**	-
Impairment loss for the year:				
Charge for the year (See Note 10(a))	**7,769,154**	24,365,162	**-**	-
Write offs	**177,163**	(16,957,231)	**-**	-
	21,967,541	14,021,224	**-**	-
	32,486,279	20,545,824	**-**	-

	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
26 Investment securities				
Held-to-maturity (see note (a) below)	**82,334,740**	78,868,832	**3,651,623**	2,701,510
Available-for-sale (see note (b) below)	**45,055,247**	49,572,844	**2,274,305**	2,142,690
	127,389,987	128,441,676	**5,925,928**	4,844,200
Current	**42,790,889**	43,008,043	**-**	-
Non-current	**84,599,098**	85,433,633	**5,925,928**	4,844,200
	127,389,987	128,441,676	**5,925,928**	4,844,200
(a) Held-to-maturity investment securities				
Federal Government of Nigeria (FGN) Bonds - listed	**55,011,241**	55,359,897	**-**	-
State Government Bonds - unlisted	**11,830,792**	13,879,150	**-**	-
Treasury Bills	**830,095**	-	**830,095**	-
Corporate bonds - unlisted	**14,662,612**	9,629,785	**2,821,528**	2,701,510
	82,334,740	78,868,832	**3,651,623**	2,701,510
(b) Available-for-sale investment securities				
Federal Government of Nigeria (FGN) Bonds - listed	**5,583,233**	748,606	**-**	-
Treasury bills - listed	**32,821,192**	42,506,502	**-**	-
Equity securities measured at fair value (see note (c) below) - listed / unlisted	**889,061**	1,227,278	**-**	-
Unquoted equity securities measured at cost (see note (d)) - unlisted	**5,060,379**	4,520,691	**1,572,923**	1,572,923
Unclaimed dividend investment fund	**701,382**	569,767	**701,382**	569,767
	45,055,247	49,572,844	**2,274,305**	2,142,690
(c) Equity securities measured at fair value under available-for-sale investments				
DAAR Communications Underwriting	**37,277**	37,277	**-**	-
Unity Bank Plc	**751**	615	**-**	-
UTC Nigeria Plc	**11**	11	**-**	-
Central Securities Clearing System	**21,420**	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	**35,963**	33,366	**-**	-
Legacy Equity Fund	**62,499**	46,000	**-**	-
Standard Alliance Co Plc	**714,350**	714,350	**-**	-
	889,062	1,227,278	**-**	-

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FOR THE PERIOD ENDED 30 JUNE 2017

In thousands of Naira	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
(d) Unquoted equity securities at cost under available-for-sale investments				
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)	**1,279,686**	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	**-**	-
	6,030,337	5,478,105	**1,572,923**	1,572,923
Specific impairment for equities (note (e) below)	**(969,958)**	(957,414)	**-**	-
Carrying amount	**5,060,379**	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	**12,544**	-	**-**	-
Write off during the period/year	**-**	(342,500)	**-**	-
Balance at end	**969,958**	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	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
27 Assets pledged as collateral				
The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:				
Treasury Bills - listed:				
– Available for sale	**3,234,482**	3,827,205	**-**	-
	3,234,482	3,827,205	**-**	-
Federal Government of Nigeria (FGN) Bonds - listed:				
– Available for sale	**1,933,568**	1,933,568	**-**	-
– Held to maturity	**53,262,254**	53,346,359	**-**	-
	55,195,822	55,279,927	**-**	-
	58,430,304	59,107,132	**-**	-
Current	**11,734,482**	11,734,482	**-**	-
Non-current	**46,695,822**	47,372,650	**-**	-
	58,430,304	59,107,132	**-**	-

As at the period ended, 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;

Counterparties	Reasons for pledged securities	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
Nigeria Inter-bank Settlement Plc (NIBSS)	Cards, POS transactions settlements	**2,184,482**	2,184,482	**-**	-
Interswitch Nigeria Limited	Cards, POS transactions settlements	**250,000**	250,000	**-**	-
Federal Inland Revenue Service(FIRS)	Third parties collection transactions	**2,500,000**	2,500,000	**-**	-
Central Bank of Nigeria (CBN)	Third parties clearing instruments / On-lending facilities to customers	**19,800,000**	17,400,000	**-**	-
Bank of Industry (BOI)	On-lending facilities to customers	**14,980,800**	14,980,800	**-**	-
Standard Bank London	Borrowed funds repo transactions	**16,715,022**	15,173,422	**-**	-
Stanbic IBTC	Borrowed funds repo transactions	**2,000,000**	2,000,000	**-**	-
Held-to-maturity pledged bonds at amortised cost		**-**	4,511,151	**-**	-
Fair value of treasury bills available for sale to pledged treasury bills		**-**	107,277	**-**	-
		58,430,304	59,107,132	**-**	-

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In thousands of Naira

	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
28 Investment in Subsidiaries				
(a) Investment in subsidiaries comprises:				
First City Monument Bank Limited (see note (c) below)	-	-	**115,422,326**	115,422,326
FCMB Capital Markets Limited (see note (d) below)	-	-	**240,000**	240,000
CSL Stockbrokers Limited (CSLS) (see note (e) below)	-	-	**3,053,777**	3,053,777
CSL Trustees Limited (see note (f) below)	-	-	**220,000**	220,000
FCMB Microfinance Bank Limited (see note (g) below)	-	-	**100,000**	-
	-	-	**119,036,103**	118,936,103
Specific allowances for impairment	-	-	**(795,331)**	(795,331)
Carrying amount	-	-	**118,240,772**	118,140,772
Current	-	-	**-**	-
Non-current	-	-	**118,240,772**	118,140,772
	-	-	**118,240,772**	118,140,772

	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
Specific allowances for impairment				
Balance at 1 January	-	-	**795,331**	689,742
Charge for the period/year	-	-	**-**	105,589
Balance at reporting date	-	-	**795,331**	795,331

(b) **Group entities**

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

Company Name	Country of incorporation	Nature of Business	Percentage of equity capital held (Direct	Financial year end
(1) First City Monument Bank Limited (see Note (c) below)	Nigeria	Banking	100%	31-December
(2) FCMB Capital Markets Limited (see Note (d) below)	Nigeria	Capital Market	100%	31-December
(3) CSL Stockbrokers Limited (CSLS) (see Note (e) below)	Nigeria	Stockbroking	100%	31-December
(4) CSL Trustees Limited (see Note (f) below)	Nigeria	Trusteeship	100%	31-December
(5) FCMB Microfinance Bank Limited (see Note (g) below)	Nigeria	Banking	100%	31-December

(c) This represents the cost of the Company's 100% equity holding in First City Monument Bank Limited. The Company was incorporated under the Companies and Allied Matters Act as a Private Limited Liability Company on 20 April,1982. It was licensed on 11 August, 1983 to carry on the business of Commercial Banking and Commercial Business on 1 September 1983. The Bank was converted into a Public Limited Liability Company and its shares listed on the Nigerian Stock Exchange on 21 December, 2004. The Bank was however delisted from the Nigerian Stock Exchange on 21 June 2013 and registered as a Limited Liability Company on 4 September 2013 following the group restructuring.

(d) This represents the cost of the Company's 100% equity holding in FCMB Capital Markets Limited. The Company was incorporated in April 4, 2002.

(e) This represents the cost of the Company's 100% equity holding in CSL Stockbrokers Limited. The Company was incorporated on January 24, 1979 and commenced operations in May 1979. The Bank acquired the total holding in the company in May, 2009.

(f) There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. This represents the cost of the Company's 100% equity holding in CSL Trustees Limited. The Company was incorporated in November 24, 2010.

(g) This represents the cost of the Company's 100% equity holding in FCMB Microfinance Bank Limited. The Company was incorporated on February 25, 2015 and started operations on January 1, 2017.

(h) The investments are carried at cost less impairment.

In thousands of Naira	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
29 Investment in associates				
(a) Investment in associate company:				
Balance at 1 January	**846,512**	731,964	**418,577**	418,577
Previously unrecognised reserve	**(56,854)**	(36,277)	**-**	-
Share of profit transfer out of reserve	**107,986**	272,749	**-**	-
Dividends paid	**(121,924)**	(121,924)	**-**	-
Balance at reporting date	**775,720**	846,512	**418,577**	418,577
(b) Summarised financial information of the Group's				
Assets	**3,180,404**	3,310,647	**3,180,404**	3,310,647
Liabilities	**439,345**	319,440	**439,345**	319,440
Net assets	**2,741,059**	2,991,208	**2,741,059**	2,991,208
Revenues	**1,295,759**	2,296,175	**1,295,759**	2,296,175
Profit	**381,576**	963,778	**381,576**	963,778

(b) This represents the Company's 28.30% (2016: 28.30%) equity interest holding in Legacy Pension Managers Limited, a pension fund manager licensed to carry on the business of fund and pension management. The company was incorporated in April 2005 and commenced operations in May 2005. The Group acquired its initial 25% equity holding in February 2008.

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FOR THE PERIOD ENDED 30 JUNE 2017

30 Property and equipment

GROUP

In thousands of Naira	Leasehold improvement and buildings	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost						
Balance at 1 January 2016	27,486,731	4,855,158	20,400,110	8,503,963	2,905,629	64,151,591
Additions during the year	1,465,283	209,104	1,079,321	43,895	1,566,010	4,363,613
Reclassifications	-	-	18,550		(1,316,875)	(1,298,325)
Transfer from accounts receivables	-	-	-	-	-	-
Transfer to intangible assets	(168,176)	-	-	-	-	(168,176)
Transfer to other prepaid expenses	-	-	-	-	-	-
Disposal during the year	(1,084,099)	(241,709)	-	-	-	(1,325,808)
Translation difference	8,975	8,975	18,450	189	-	36,589
Balance at reporting date	**27,708,714**	**4,831,528**	**21,516,431**	**8,548,047**	**3,154,764**	**65,759,484**
Accumulated depreciation						
Balance at 1 January 2016	6,807,862	3,657,281	13,665,367	7,737,855	-	31,868,365
Transfer from accounts receivables	144,551	-	-	-	-	144,551
Transfer to other prepaid expenses	(121,567)	-	-	-	-	(121,567)
Charge for the year (see note 16)	340,989	287,777	1,134,462	296,786	-	2,060,014
Eliminated on Disposal	(213,532)	(202,245)	(27,139)	(3,246)	-	(446,162)
Translation difference	5,466	5,112	16,310	113	-	27,001
Balance at reporting date	6,963,769	3,747,925	14,789,000	8,031,508	-	33,532,202
Carrying amounts:						
Balance at 30 June 2017	20,744,945	1,083,603	6,727,431	516,539	3,154,764	32,227,282
Balance at 31 December 2016	20,678,869	1,197,877	6,734,743	766,108	2,905,629	32,283,226

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period ended (31 December 2016: nil).
There were no restrictions on title of any property and equipment.
There were no property and equipment pledged as security for liabilities.
There were no contractual committments for the acquisition of property and equipment.

COMPANY

In thousands of Naira	Leasehold improvement and buildings	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 year	-	-	-	357	-	357
Disposal during the year	-	(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	5,471	1,895	-	36,385
Charge for the year (see note 16)	259	8,777	1,235	346	-	10,617
Eliminated on Disposal	-	(3,561)	-	-	-	(3,561)
Balance at reporting date	1,936	32,558	6,706	2,241	-	43,441
Carrying amounts:						
Balance at 30 June 2017	3,245	36,890	7,305	1,094	-	48,534
Balance at 31 December 2016	3,504	46,341	8,540	1,083	-	59,468

	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
Current	-	-	-	-
Non-current	**32,227,282**	32,283,226	**48,534**	59,468
	32,227,282	32,283,226	**48,534**	59,468

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period ended (31 December 2016: nil).
There were no restrictions on title of any property and equipment.
There were no property and equipment pledged as security for liabilities.
There were no contractual committments for the acquisition of property and equipment.

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FOR THE PERIOD ENDED 30 JUNE 2017

	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
31 Intangible assets				
(a) **Software**				
Cost				
Beginning of the year	6,940,083	5,491,892	3,851	3,851
Additions during the year	748,414	302,185	-	-
Work-in-porgress - additions during the year	-	927,242	-	-
Transfer from property and equipment	-	113,361	-	-
Translation difference for the year	27,208	105,403	-	-
End of the year	7,715,705	6,940,083	3,851	3,851
Amortisation				
Beginning of the year	3,467,292	2,828,681	2,969	2,006
Charge for the year (see note 16)	547,720	577,724	481	963
Translation difference for the year	-19,140	60,887	-	-
End of the year	3,995,872	3,467,292	3,450	2,969
Carrying amount	3,719,833	3,472,791	401	882
(b) **Goodwill**				
Beginning of the year	6,199,739	6,305,328	-	-
Impairment charge	-	(105,589)	-	-
At end of the year	6,199,739	6,199,739	-	-
	9,919,572	9,672,530	401	882
Current	-	-	-	-
Non-current	9,919,572	9,672,530	401	882
	9,919,572	9,672,530	401	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 the 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	Assets 30 JUN 2017	Liabilities 30 JUN 2017	Net 30 JUN 2017	Assets 31 DEC 2016	Liabilities 31 DEC 2016	Net 31 DEC 2016
Property and equipment	1,134,329	(62,017)	1,072,312	1,153,659	(62,017)	1,091,642
Defined benefits	-	23,698	23,698	(33,936)	23,698	(10,238)
Allowances for loan losses	2,355,514	(27,583)	2,327,931	2,330,958	(27,583)	2,303,375
Unrelieved loss carried forward	4,480,651	-	4,480,651	4,521,309	-	4,521,309
Net tax assets/ (liabilities)	7,974,379	(65,902)	7,904,592	7,971,990	(65,902)	7,906,088

	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 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	65,902.00	65,902.00	-	-
	65,902.00	65,902.00	-	-

(b) **Movements in temporary differences during the period ended 31 March 2017**

GROUP	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 30 June 2017
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	(40,658)	-	4,480,651
	7,949,135	(40,658)	-	7,908,477

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

GROUP	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 31 December 2016
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

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

Non recognition of additional deferred tax assets for the period (2016: Nil) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Group's entities will have future taxable profits against which these assets can be used.

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2017**	**31 DEC 2016**	**30 JUN 2017**	**31 DEC 2016**
33 Other assets				
(a) **Other financial assets:**				
Accounts receivables	**23,922,301**	26,799,187	**-**	2,080,271
(b) **Other non-financial assets:**				
Prepayments	**12,044,052**	4,808,149	**7,274**	4,261
Consumables	**525,013**	500,632	**-**	-
	36,491,366	32,107,968	**7,274**	2,084,532
Less specific allowances for impairment (note (c) below)	**(15,780,977)**	(15,328,849)	**-**	-
	20,710,389	16,779,119	**7,274**	2,084,532
Current	**1,506,937**	1,635,951	**7,274**	2,084,532
Non-current	**19,203,452**	15,143,168	**-**	-
	20,710,389	16,779,119	**7,274**	2,084,532
(c) **Movement in impairment on other financial assets**				
At start of the period / year	**15,328,849**	17,542,788	**-**	-
Increase in impairment during the year (see note 10(b))	**487,605**	3,607,348	**-**	-
Amounts written off	**(35,477)**	(5,821,287)	**-**	-
At period/year end	**15,780,977**	15,328,849	**-**	-

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2017**	**31 DEC 2016**	**30 JUN 2017**	**31 DEC 2016**
34 Deposits from banks				
Other deposits from banks	**76,312,878**	24,798,296	**-**	-
	76,312,878	24,798,296	**-**	-
Current	**76,312,878**	24,798,296	**-**	-
Non-current	**-**	-	**-**	-
	76,312,878	24,798,296	**-**	-
Other deposits from banks comprise:				
United Bank for Africa Plc (see note (a) below)	**12,109,186**	-	**-**	-
Citibank Nigeria Limited, Nigeria (see note (b) below)	**7,200,000**	16,007,010	**-**	-
First Bank Of Nigeria Plc, Nigeria (see note (c) below)	**10,000,000**	3,751,849	**-**	-
Access Bank Plc, Nigeria	**-**	5,004,110	**-**	-
Sterling Bank Plc, Nigeria (see note (d) below)	**5,000,000**	-	**-**	-
Zenith Bank Plc, Nigeria (see note (e) below)	**8,200,000**	-	**-**	-
Central Bank of Nigeria (see note (f) below)	**27,880,643**	-	**-**	-
Other foreign banks	**5,923,049**	35,327	**-**	-
	76,312,878	**24,798,296**	**-**	**-**

(a) The amount of N12.11billion (December 2016: Nil) represents an overnight takings from United Bank for Africa Plc.

(b) The amount of N7.20billion (December 2016: N16.01billion) represents an overnight interbank takings from Citibank Nigeria Limited.

(c) The amount of N10.00billion (December 2016: N3.75billion) represents an overnight interbank takings from First Bank of Nigeria Plc.

(d) The amount of N5.00billion (December 2016: Nil) represents an overnight interbank takings from Sterling Bank Plc, Nigeria.

(e) The amount of N8.20billion (December 2016: Nil) represents an overnight interbank takings from Zenith Bank Plc, Nigeria.

(f) The amount of N27.88billion (December 2016: Nil) represents an overnight interbank takings from CBN.

(g) Deposits from banks only include financial instruments classified as liabilities at amortised cost.

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

In thousands of Naira	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
35 Deposits from customers				
Term deposits	**197,187,038**	207,032,232	**-**	-
Current deposits	**286,069,504**	310,806,406	**-**	-
Savings	**150,220,165**	139,771,169	**-**	-
	633,476,707	657,609,807	**-**	-
Current	**633,229,464**	657,545,969	**-**	-
Non-current	**247,243**	63,838	**-**	-
	633,476,707	657,609,807	**-**	-

In thousands of Naira	GROUP 30 JUN 2017	GROUP 31 DEC 2016	COMPANY 30 JUN 2017	COMPANY 31 DEC 2016
36 Borrowings				
(a) Borrowing comprise:				
Standard Bank, London (see note (b)(i) below)	**15,410,432**	15,403,666	**-**	-
International Finance Corporation (IFC) (see note (b)(ii) below)	**1,024,463**	1,532,175	**-**	-
International Finance Corporation (IFC) (see note (b)(iii) below)	**2,561,160**	3,830,440	**-**	-
International Finance Corporation (IFC) (see note (b)(iv) below)	**9,602,569**	11,489,176	**-**	-
International Finance Corporation (IFC) (see note (b)(v) below)	**7,201,927**	8,616,882	**-**	-
International Finance Corporation (IFC) (see note (b)(vi) below)	**2,420,055**	4,825,856	**-**	-
Netherlands Development Finance Company (FMO) (see note (b)(vii) below)	**5,108,424**	5,943,078	**-**	-
Netherlands Development Finance Company (FMO) (see note (b)(viii) below)	**5,108,424**	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)	**10,106,848**	10,077,908	**-**	-
Standard Bank, London (see note (b)(xi) below)	**1,995,848**	1,645,727	**-**	-
Citibank, N.A (OPIC) (see note (b)(xii) below)	**13,820,920**	16,839,062	**-**	-
African Export-Import Bank (Afreim) (see note (b)(xiii) below)	**28,946,695**	30,553,398	**-**	-
Engr. Tajudeen Amoo (see note (b)(xiv) below)	**1,322,748**	1,257,692	**-**	-
Financial Derivatives Company Limited (see note (b)(xv) below)	**125,263**	114,943	**-**	-
First City Asset Management (FCAM) (see note (b)(xvi) below)	**7,129,648**	11,472,265	**-**	-
Lafeef Akande (see note (b)(xvii) below)	**34,228**	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)	**676,169**	785,018	**-**	-
Tayo Oyedeji (see note (a)(xxi) below)	**133,109**	-	**-**	-
	112,728,931	132,094,368	**-**	-
Current	**38,505,767**	57,871,204	**-**	-
Non-current	**74,223,164**	74,223,164	**-**	-
	112,728,931	132,094,368	**-**	-

(b) i) The amount of N15,410,432,000 (31 December 2016: N15,403,666,000 (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 quaterly. The facility is secured by Federal Government of Nigeria bonds.

ii) The amount of N1,024,463,000 (31 December 2016: N1,532,175,182 (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 N2,561,160,000 (31 December 2016: N3,830,439,793 (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 N9,602,569,000 (December 2016: N11,489,175,796 (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 N7,201,927,000 (31 December 2016: N8,616,881,848 (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 N2,420,055,000 (31 December 2016 :N4,825,855,785 (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 N5,108,424,000 (31 December 2016: N5,943,078,366 (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 N5,108,424,000 (31 December 2016: N5,943,078,366 (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 represent a facility that has been repaid as at 30th June 2017, Nil (December 2016: N1,527,533,568 (USD 10,000,000) granted by Netherlands Development Finance Company (FMO)

x) The amount of N10,106,848,000 (31 December 2016: N10,077,908,423 (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 N1,995,848,000 (31 December 2016 :N1,645,727,280 (USD 6,353,472)) represents an unsecured facility granted by Standard Bank, London repayable after a tenor of 1 year maturing 20 June 2016 with an interest rate of 2.6%.

xii) The amount of N13,820,920,000 (31 December 2016 :N16,839,061,760 (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 N28,946,695,000 (31 December 2016 : N30,553,398,269) represents a facilty granted by African Export Import (AFRIEXIM) Bank, repayable after a tenor of 5 years maturing 14 September 2021 with a nominal interest rate of 7.06% payable quarterly.

xiv) The amount of N1,322,748,000 (31 December 2016 :N1,257,692,000) represents the outstanding balance of the unsecured facilities granted by Engr. Tajudeen Amoo at average nominal interest of 12.22% maturing 4 July 2017.

xv) The amount of N125,263,000 (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 2017.

xvi) The amount of N7,129,648,000 (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 2017 with an interest rate of 16.67%.

xvii) The amount of N34,228,000 (31 December 2016 :N34,200,000) represents an unsecured facility granted by Lateef Akande.

xviii) This represent a facility that has been repaid as at 30 June 2017, Nil (31 December 2016 :N40,034,000) granted by Mrs Moyosore.

xix) This represents a facility that has been repaid as at 30 June 2017, Nil (31 December 2016 :N162,236,000) granted by Rosewood property.

xx) The amount of N676,169,000 (31 December 2016 :N785,018,000) represents an unsecured facility granted by Micheal Ojo, at interest rate of 14.40%, maturing 19 April 2017.

xxi) The amount of N133,109,000 (31 December 2016 :Nil) represents an unsecured facility granted by Tayo Oyedeji, at interest rate of 17.00%, maturing 27 April 2017.

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

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2017**	**31 DEC 2016**	**30 JUN 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	**-**	33,996,484	**-**	-
Repayments during the period/year	**(19,669,112)**	(68,348,938)	**-**	-
Translation difference	**303,675**	52,746,628	**-**	-
	112,728,931	132,094,368	**-**	-

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2017**	**31 DEC 2016**	**30 JUN 2017**	**31 DEC 2016**
37 On-lending facilities (see note (a) below)				
Bank of industry (BOI)	**39,845,157**	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	**-**	-
	51,360,927	42,199,380	**-**	-
Current	**7,164,017**	7,164,017	**-**	-
Non-current	**44,196,910**	35,035,363	**-**	-
	51,360,927	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 bank'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.

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FOR THE PERIOD ENDED 30 JUNE 2017

	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
(b) Movement in on-lending facilities during the period/year was as follows:				
Balance, beginning of the period/year	**42,199,380**	33,846,116	**-**	-
Additions during the period/year	**9,432,449**	9,432,449	**-**	-
Repayments during the period/year	**(270,902)**	(1,079,185)	**-**	-
Balance, end of the period/year	**51,360,927**	42,199,380	**-**	-

	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
38 Debt securities issued				
Debt securities at amortised cost:				
Bond issued (see note (a) below)	**59,558,340**	54,481,989	**-**	-
	59,558,340	54,481,989	**-**	-
Current	**966,566**	966,566	**-**	-
Non-current	**58,591,774**	53,515,423	**-**	-
	59,558,340	54,481,989	**-**	-

(a) The amount of N59.68billion (31 December 2016: N54.48billion) represents the amortised cost of additional N5.10billion, N23.19billon and N26billion, 7years, 17.25%, 5 year, 15% and 7 year, 14.25% unsecured corporate bonds issued at par in December 2016, November 2015 and November 2014 respectively. The Principal amount is repayable in December 2023, November 2020, November 2021 respectively, while the coupon is paid semi-annually. The amount represents the first, second and third trenches 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 June 2017.

	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
(b) Movement in Debt securities issued during the year was as follows:				
Balance, beginning of the period/year	**54,481,989**	49,309,394	**-**	-
Accrued coupon interest for the period/year	**1,065,793**	963,855	**-**	-
Additions during the period/year	**-**	5,072,202	**-**	-
Coupon interest paid during the period/year	**4,010,558**	(863,462)	**-**	-
Balance, end of the period/year	**59,558,340**	54,481,989	**-**	-

39 Retirement benefit obligations

Defined contribution scheme

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%.

	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
Total contributions to the scheme for the period were as follows:				
Balance at start of year	**17,603**	50,544	**-**	-
Charged to profit or loss (see note 15)	**263,380**	591,777	**2,871**	5,786
Employee contribution	**601,283**	601,283	**2,297**	4,629
Total amounts remitted	**(794,908)**	(1,226,001)	**(5,168)**	(10,415)
Balance, end of the period/year	**87,358**	17,603	**-**	-
Current	**87,358**	17,603	**-**	-
Non-current	**-**	-	**-**	-
	87,358	17,603	**-**	-

In thousands of Naira	GROUP		COMPANY	
	30 JUN 2017	31 DEC 2016	30 JUN 2017	31 DEC 2016
40 Other liabilities				
(a) Other financial liabilities:				
Customers' deposit for letters of credits	**22,763,497**	22,623,659	**-**	-
Bank cheques/drafts	**3,882,276**	3,544,274	**-**	-
Accounts payable - negotiated letters of credits	**11,111,054**	14,100,305	**-**	-
Accounts payable - others	**19,071,207**	28,217,649	**259,141**	145,852
Accounts payable - unclaimed dividend	**577,415**	496,955	**577,415**	496,955
Proceeds from public offers	**651,464**	73,268	**-**	-
	58,056,913	69,056,110	**836,556**	642,807
(b) Other non-financial liabilities:				
Deferred income (see note (c) below)	**295,794**	248,254	**-**	-
Accrued expenses	**721,313**	1,104,669	**63,877**	161,950
Provision	**2,033,700**	2,343,010	**416,109**	416,864
	3,050,807	3,695,933	**479,986**	578,814
	61,107,720	72,752,043	**1,316,542**	1,221,621
Current	**56,828,034**	69,056,110	**1,316,542**	1,221,621
Non-current	**4,279,686**	3,695,933	**-**	-
	61,107,720	72,752,043	**1,316,542**	1,221,621

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
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(c) Included in deferred income are amounts for financial guarantee contracts which represents the amount initially recognised less cumulative amortisation.

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2017**	**31 DEC 2016**	**30 JUN 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

42 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 Banking subsidiary transferred 15% of its 'profit after tax to statutory reserves as at period end (31 December 2016: 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) R**evaluation 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

43 Contingencies

(a) 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 performances 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:

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2017**	**31 DEC 2016**	**30 JUN 2017**	**31 DEC 2016**
Performance bonds and guarantees	**77,360,362**	94,047,228	**-**	-
Clean line letters of credit	**57,658,326**	65,336,278	**-**	-
	135,018,688	159,383,506	**-**	-
Other commitments	**87,476**	92,563	**-**	-
	135,106,164	159,476,069	**-**	-
Current	**72,609,564**	80,292,603	**-**	-
Non-current	**62,496,600**	79,183,466	**-**	-
	135,106,164	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 Uitimate 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 June 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 N1,175.60billion and N1,005.82billion 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 June 2017 were as follows:

RESULTS OF OPERATIONS

In thousands of Naira	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	415,511	61,930,728	88,370	129,771	40,063	9,125	62,613,568	(259,866)	62,353,702
Interest expense	-	(30,116,792)	-	-	-	(53)	(30,116,845)	259,866	(29,856,979)
Net interest income	**415,511**	**31,813,936**	**88,370**	**129,771**	**40,063**	**9,072**	**32,496,723**	**-**	**32,496,723**
Other income	153,428	12,108,332	93,399	460,904	102,938	3,196	12,922,197	(23,056)	12,899,141
Operating income	**568,939**	**43,922,268**	**181,769**	**590,675**	**143,001**	**12,268**	**45,418,920**	**(23,056)**	**45,395,864**
Operating expenses	(439,665)	(30,563,652)	(242,709)	(409,623)	(47,942)	(27,211)	(31,730,802)	23,056	(31,707,746)
Provision expense	-	(9,966,995)	5	(4,400)	-	(493)	(9,971,883)	-	(9,971,883)
	-	-	-	-	-	-	-	107,986	107,986
Profit /(loss) before tax	**129,274**	**3,391,621**	**(60,935)**	**176,652**	**95,059**	**(15,436)**	**3,716,235**	**107,986**	**3,824,221**
Income tax expense	-	(715,706)	-	(58,295)	(31,370)	-	(805,371)	-	(805,371)
Profit after tax	**129,274**	**2,675,915**	**(60,935)**	**118,357**	**63,689**	**(15,436)**	**2,910,864**	107,986	**3,018,850**
Other comprehensive income	-	469,429	-	21,267	-	-	490,696	-	490,696
Total comprehensive income for the period	**129,274**	**3,145,344**	**(60,935)**	**139,624**	**63,689**	**(15,436)**	**3,401,560**	**107,986**	**3,509,546**

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FOR THE PERIOD ENDED 30 JUNE 2017

FINANCIAL POSITION

In thousands of Naira	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	4,968,624	103,066,299	318,211	1,683,263	1,703,934	20,709	111,761,040	(7,118,266)	104,642,774
Restricted reserve deposits	-	155,516,707	-	-	-	-	155,516,707	-	155,516,707
Trading assets	-	9,699,256	-	836,768	-	-	10,536,024	-	10,536,024
Derivative assets held for risk management	-	-	-	-	-	-	-	-	-
Loans and advances to customers	-	648,963,999	115,984	53,542	17,279	48,150	649,198,954	-	649,198,954
Assets pledged as collateral	-	58,430,304	-	-	-	-	58,430,304	-	58,430,304
Investment securities	5,925,928	121,573,459	830,183	594,701	961,357	70,000	129,955,628	(2,565,641)	127,389,987
Investment in subsidiaries	118,240,772	-	-	-	-	-	118,240,772	(118,240,772)	-
Investment in associates	418,577	-	-	-	-	-	418,577	357,143	775,720.00
Property and equipment	48,534	32,117,671	27,320	21,425	4,677	7,655	32,227,282	-	32,227,282
Intangible assets and goodwill	401	9,676,302	-	36,994	-	-	9,713,697	205,875	9,919,572
Deferred tax assets	-	7,949,135	25,244	-	-	-	7,974,379	-	7,974,379
Other assets	7,274	20,429,518	118,632	230,624	193,247	10,218	20,989,513	(279,124)	20,710,389
	129,610,110	**1,167,422,650**	**1,435,574**	**3,457,317**	**2,880,494**	**156,732**	**1,304,962,877**	**(127,640,785)**	**1,177,322,092**
Financed by:									
Trading liabilities	-	-	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	-	-	-	-	-	-	-	-
Deposits from banks	-	76,312,878	-	-	-	-	76,312,878	-	76,312,878
Deposits from customers	-	640,580,957	-	-	-	14,016	640,594,973	(7,118,266)	633,476,707
Borrowings	-	112,728,931	-	-	-	-	112,728,931	-	112,728,931
On-lending facilities	-	51,360,927	-	-	-	-	51,360,927	-	51,360,927
Debt securities issued	-	62,123,979	-	-	-	-	62,123,979	(2,565,639)	59,558,340
Retirement benefit obligations	-	87,358	-	-	-	-	87,358	-	87,358
Current income tax liabilities	44,582	2,002,735	82,716	58,333	31,442	1,251	2,221,059	-	2,221,059
Deferred tax liabilities	-	-	25,244	38,044	2,614	-	65,902	-	65,902
Other liabilities	1,316,542	56,478,018	224,817	1,063,143	2,303,310	51,825	61,437,655	(329,935)	61,107,720
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	2,955,217	31,278,337	602,797	(420,417)	323,128	(10,360)	34,728,702	(4,768,154)	29,960,548
Other reserves	-	31,621,840	-	41,387	-	-	31,663,227	(6,515,273)	25,147,954
	129,610,110	**1,167,422,650**	**1,435,574**	**3,457,317**	**2,880,494**	**156,732**	**1,304,962,877**	**(127,640,785)**	**1,177,322,092**
Acceptances and guarantees	**-**	**135,106,164**	**-**	**-**	**-**	**-**	**135,106,164**	**-**	**135,106,164**

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

CONDENSED FINANCIAL INFORMATION

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

RESULTS OF OPERATIONS

In thousands of Naira	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	255,497	60,075,874	56,340	358,147	21,453	-	60,767,311	(217,332)	60,549,979
Interest expense	-	(23,953,456)	-	(269,838)	-	-	(24,223,294)	217,332	(24,005,962)
Net interest income	255,497	36,122,418	56,340	88,309	21,453	-	36,544,017	-	36,544,017
Other income	2,196,646	23,081,238	304,883	418,681	115,796	-	26,117,244	(150,000)	25,967,244
Operating income	2,452,143	59,203,656	361,223	506,990	137,249	-	62,661,261	(150,000)	62,511,261
Operating expenses	(443,837)	(31,549,989)	(279,695)	(411,147)	(49,489)	-	(32,734,157)	-	(32,734,157)
Provision expense	(450,000)	(12,959,016)	4,795	(84,053)	-	-	(13,488,274)	-	(13,488,274)
Profit before tax	1,558,306	14,694,651	86,323	11,790	87,760	-	16,438,830	(150,000)	16,288,830
Tax	-	(538,657)	(28,487)	(24,578)	(28,961)	-	(620,683)	-	(620,683)
Profit / (loss) after tax	1,558,306	14,155,994	57,836	(12,788)	58,799	-	15,818,147	(150,000)	15,668,147
Other comprehensive income	-	1,327,579	-	53,616	-	-	1,381,195	-	1,381,195
Total comprehensive income for the period	1,558,306	15,483,573	57,836	40,828	58,799	-	17,199,342	(150,000)	17,049,342

FINANCIAL POSITION

In thousands of Naira	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	7,747,760	150,654,623	945,426	1,725,548	2,907,458	-	163,980,815	(9,680,830)	154,299,985
Restricted reserve deposits	-	151,760,973	-	-	-	-	151,760,973	-	151,760,973
Trading assets	-	11,124,872	116,735	-	-	-	11,241,607	-	11,241,607
Derivative assets held for risk management	-	1,982,445	-	-	-	-	1,982,445	-	1,982,445
Loans and advances to customers	-	666,075,458	137,619	114,384	16,042	-	666,343,503	(9,322,500)	657,021,003
Assets pledged as collateral	-	55,777,589	-	-	-	-	55,777,589	-	55,777,589
Investment securities	2,973,232	155,756,003	67,788	11,392,512	591,967	-	170,781,502	-	170,781,502
Investment in subsidiaries	117,796,361	-	-	-	-	-	117,796,361	(117,796,361)	-
Investment in associates	418,577	-	-	-	-	-	418,577	313,387	731,964
Property and equipment	83,122	29,915,737	53,407	36,574	7,904	-	30,096,744	-	30,096,744
Intangible assets and goodwill	1,364	8,537,747	-	37,315	-	-	8,576,426	-	8,576,426
Deferred tax assets	-	8,166,241	20,211	-	-	-	8,186,452	-	8,186,452
Other assets	110,142	35,867,691	206,830	701,109	63,956	-	36,949,728	(860,208)	36,089,520
	129,130,558	**1,275,619,379**	**1,548,016**	**14,007,442**	**3,587,327**	**-**	**1,423,892,722**	**(137,346,512)**	**1,286,546,210**
Financed by:									
Derivative liabilities held for risk management	-	1,772,742	-	-	-	-	1,772,742	-	1,772,742
Deposits from banks	-	41,897,518	-	-	-	-	41,897,518	-	41,897,518
Deposits from customers	-	699,026,125	-	-	-	-	699,026,125	(9,680,830)	689,345,295
Borrowings	-	142,427,630	-	9,322,500	-	-	151,750,130	(9,322,500)	142,427,630
On-lending facilities	-	33,390,768	-	-	-	-	33,390,768	-	33,390,768
Debt securities issued	-	49,209,867	-	-	-	-	49,209,867	-	49,209,867
Retirement benefit obligations	-	120,142	2,017	-	-	-	122,159	-	122,159
Current income tax liabilities	25,231	1,991,130	142,679	24,511	28,961	-	2,212,512	-	2,212,512
Deferred tax liabilities	-	3,177	25,244	34,986	1,545	-	64,952	-	64,952
Other liabilities	1,177,299	141,869,319	204,459	2,722,851	3,151,700	-	149,125,628	(621,754)	148,503,874
Share capital	9,901,355	2,000,000	500,000	943,576	50,000	-	13,394,931	(3,493,576)	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	2,634,259	27,755,171	673,617	(763,687)	185,121	-	30,484,481	(469,968)	30,014,514
Other reserves	-	33,309,100	-	(10,545)	-	-	33,298,555	(11,007,944)	22,290,611
	129,130,558	**1,275,619,379**	**1,548,016**	**14,007,442**	**3,587,327.00**	**-**	**1,423,892,722**	**(137,346,512)**	**1,286,546,210**
Acceptances and guarantees	**-**	**174,847,324**	**-**			**-**	**174,847,324**	-	**174,847,324**