FCMB Group Plc

Unaudited Interim Financial Statements

For the period ended 30 June 2018

FCMB GROUP PLC
INTERIM UNAUDITED REPORT - 30 JUNE 2018

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

		GROUP		COMPANY	
In thousands of Naira	Note	6months ended 30 June 2018	6months ended 30 June 2017	6months ended 30 June 2018	6months ended 30 June 2017
Gross earnings		**83,924,656**	77,508,354	**1,351,702**	568,947
Interest and discount income	8	**64,310,086**	62,353,702	**218,181**	415,511
Interest expense	9	**(29,040,909)**	(29,856,979)	**-**	-
Net interest income		**35,269,177**	32,496,723	**218,181**	415,511
Fee and commission income	11	**13,011,195**	9,465,064	**-**	-
Fee and commission expense	11	**(3,077,437)**	(2,255,511)	**(6)**	(8)
Net fee and commission income		**9,933,758**	7,209,553	**(6)**	(8)
Net trading income	12	**3,911,975**	1,357,050	**137,428**	-
Net income from financial instruments measured at fair value through profit or loss	13	**-**	103,434	**-**	-
Other income	14	**2,691,400**	4,229,104	**996,093**	153,436
		6,603,375	5,689,588	**1,133,521**	153,436
Net impairment loss on financial assets	10	**(7,332,957)**	(9,971,883)	**-**	-
Personnel expenses	15	**(12,022,027)**	(11,512,255)	**(129,462)**	(105,119)
Depreciation and amortisation expenses	16	**(2,713,653)**	(2,607,734)	**(10,485)**	(11,099)
General and administrative expenses	17	**(13,553,165)**	(12,253,457)	**(299,667)**	(206,307)
Other operating expenses	18	**(9,079,689)**	(5,334,300)	**(97,537)**	(117,140)
Results from operating activities		**7,104,819**	3,716,235	**814,545**	129,274
Share of post tax result of associate		**-**	107,986	**-**	-
Profit before minimum tax and income tax		**7,104,819**	3,824,221	**814,545**	129,274
Minimum tax	20	**(450,000)**	(450,000)	**-**	-
Income tax expense	20	**(928,833)**	(355,371)	**-**	-
Profit for the period		**5,725,986**	3,018,850	**814,545**	129,274
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**489,359**	37,445	**-**	-
Net change in fair value of available-for-sale financial assets	25(g)	**(949,922)**	453,251	**-**	-
		(460,563)	490,696	**-**	-
Other comprehensive income (loss) for the period, net of tax		**(460,563)**	490,696	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5,265,423**	3,509,546	**814,545**	129,274
Profit attributable to:					
Equity holders of the Company		**5,656,264**	3,018,850	**814,545**	129,274
Non-controlling interests		**69,722**	-	**-**	-
		5,725,986	3,018,850	**814,545**	129,274
Total comprehensive income attributable to:					
Equity holders of the Company		**5,195,701**	3,509,546	**814,545**	129,274
Non-controlling interests		**69,722**	-	**-**	-
		5,265,423	3,509,546	**814,545**	129,274
Basic and diluted earnings per share (Naira)	19	**0.57**	0.30	**0.08**	0.01

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

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	GROUP				COMPANY			
	2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE	
For the three period ended 30 June (Unaudited)	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
In thousands of Naira			**N'000**	**N'000**			**N'000**	**N'000**
Gross Earnings	**41,753,168**	39,046,146	**83,924,656**	77,508,354	**718,871**	347,236	**1,351,702**	568,947
Interest income	**31,660,591**	32,493,018	**64,310,086**	62,353,702	**91,504**	206,715	**218,181**	415,511
Interest expense	**(14,142,699)**	(15,534,200)	**(29,040,909)**	(29,856,979)	**-**	-	**-**	-
Net interest income	**17,517,892**	16,958,818	**35,269,177**	32,496,723	**91,504**	206,715	**218,181**	415,511
Fee and commission income	**6,759,729**	4,990,203	**13,011,195**	9,465,064	**-**	-	**-**	-
Fee and commission expense	**(1,613,714)**	(1,233,799)	**(3,077,437)**	(2,255,511)	**(6)**	-	**(6)**	(8)
Net fee and commission income	**5,146,015**	3,756,404	**9,933,758**	7,209,553	**(6)**	-	**(6)**	(8)
Net trading income	**2,157,961**	698,782	**3,911,975**	1,357,050	**137,428**	-	**137,428**	-
Net income from financial instruments measured at fair value through profit or los	**-**	103,434	**-**	103,434	**-**	-	**-**	-
Other revenue	**1,174,887**	760,709	**2,691,400**	4,229,104	**489,939**	140,521	**996,093**	153,436
Revenue	**3,332,848**	1,562,925	**6,603,375**	5,689,588	**627,367**	140,521	**1,133,521**	153,436
Net impairment loss on loans and advances, banks & other assets	**(2,479,817)**	(5,013,847)	**(7,332,957)**	(9,971,883)	**-**	-	**-**	-
Personnel expenses	**(6,055,348)**	(5,429,003)	**(12,022,027)**	(11,512,255)	**(63,124)**	(65,000)	**(129,462)**	(105,119)
Depreciation & amortisation expenses	**(1,348,031)**	(1,322,990)	**(2,713,653)**	(2,607,734)	**(5,267)**	(5,506)	**(10,485)**	(11,099)
General and administrative expenses	**(7,183,622)**	(6,056,413)	**(13,553,165)**	(12,253,457)	**(185,564)**	(117,949)	**(299,667)**	(206,307)
Other expenses	**(5,081,489)**	(2,648,416)	**(9,079,689)**	(5,334,300)	**(50,960)**	(81,820)	**(97,537)**	(117,140)
Results from operating activities	**3,848,448**	1,807,478	**7,104,819**	3,716,235	**413,950**	76,961	**814,545**	129,274
Share of post tax result of associate	**-**	32,646	**-**	107,986	**-**	-	**-**	-
Profit before minimum tax and income tax	**3,848,448**	1,840,124	**7,104,819**	3,824,221	**413,950**	76,961	**814,545**	129,274
Minimum tax	**(225,000)**	(225,000)	**(450,000)**	(450,000)	**-**	-	**-**	-
Income tax expense	**(483,934)**	(177,568)	**(928,833)**	(355,371)	**-**	-	**-**	-
Profit for the period	**3,139,514**	1,437,556	**5,725,986**	3,018,850	**413,950**	76,961	**814,545**	129,274
Other comprehensive income								
Items that will be reclassified subsequently to profit or loss								
Foreign currency translation differences for foreign operations	**282,671**	(18,113)	**489,359**	37,445	**-**	-	**-**	-
Net change in fair value of available-for-sale financial assets	**(959,767)**	(28,136)	**(949,922)**	453,251	**-**	-	**-**	-
Other comprehensive income for the period, net of tax	**(677,096)**	(46,249)	**(460,563)**	490,696	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,462,418**	1,391,307	**5,265,423**	3,509,546	**413,950**	76,961	**814,545**	129,274
Profit attributable to:								
Equity holders of the Company	**3,104,996**	1,437,556	**5,656,264**	3,018,850	**413,950**	76,961	**814,545**	129,274
Non-controlling interests	**34,518**	-	**69,722**	-	**-**	-	**-**	-
	3,139,514	1,437,556	**5,725,986**	3,018,850	**413,950**	76,961	**814,545**	129,274
Total comprehensive income attributable to:								
Equity holders of the Company	**2,427,900**	1,391,307	**5,195,701**	3,509,546	**413,950**	76,961	**814,545**	129,274
Non-controlling interests	**34,518**	-	**69,722**	-	**-**	-	**-**	-
	2,462,418	1,391,307	**5,265,423**	3,509,546	**413,950**	76,961	**814,545**	129,274
Basic and diluted earnings per share (naira)	**0.63**	0.29	**0.57**	0.30	**0.08**	0.02	**0.08**	0.01

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

NOTES TO THE INTERIM FINANCIAL REPORTS
FOR THE PERIOD ENDED 30 JUNE 2018

		GROUP				COMPANY			
		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE	
		2018	2017	2018	2017	2018	2017	2018	2017
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
2	**Interest income**								
	Cash and cash equivalents	**273,892**	113,186	**1,047,500**	372,186	**6,245**	121,776	**8,927**	232,009
	Loans and advances to customers	**23,609,690**	26,221,285	**48,283,780**	50,828,420	**-**	-	**-**	-
	Investments in government & other securities;								
	– Available for sale	**4,424,073**	2,214,212	**8,374,884**	3,383,053	**-**	-	**-**	-
	– Held for trading	**(40,680)**	84,326	**7,838**	136,598	**-**	-	**-**	-
	– Held to maturity	**3,393,616**	3,860,009	**6,596,084**	7,633,445	**85,259**	84,939	**209,254**	183,502
		31,660,591	32,493,018	**64,310,086**	62,353,702	**91,504**	206,715	**218,181**	415,511
3	**Interest expense**								
	Deposits from banks	**26,395**	1,801,869	**95,909**	2,063,947	**-**	-	**-**	-
	Deposits from customers	**9,157,914**	8,266,013	**19,338,604**	17,062,008	**-**	-	**-**	-
		9,184,309	10,067,882	**19,434,513**	19,125,955	**-**	-	**-**	-
	Borrowings	**2,097,110**	2,973,254	**4,024,653**	5,819,428	**-**	-	**-**	-
	Debt issues securities	**2,080,806**	2,071,198	**4,135,301**	4,119,768	**-**	-	**-**	-
	Onlending facilities	**780,474**	421,866	**1,446,442**	791,828	**-**	-	**-**	-
		14,142,699	15,534,200	**29,040,909**	29,856,979	**-**	-	**-**	-
4	**Impairment charge for credit losses**								
	Loans and advances to customers								
	Increase in specific impairment	**3,178,595**	5,800,229	**8,602,397**	6,210,136	**-**	-	**-**	-
	Increase in collective impairment	**-**	493	**487,826**	5,553,157	**-**	-	**-**	-
	Income received on claims previously written off	**(1,901,335)**	(1,067,635)	**(3,214,820)**	(2,279,015)	**-**	-	**-**	-
		1,277,260	4,733,087	**5,875,403**	9,484,278	**-**	-	**-**	-
	Other assets & AFS								
	Increase / (writeback) in impairment	**1,202,557**	280,760	**1,457,554**	487,605	**-**	-	**-**	-
		1,202,557	280,760	**1,457,554**	487,605	**-**	-	**-**	-
		2,479,817	5,013,847	**7,332,957**	9,971,883	**-**	-	**-**	-
5	**Net fee and commission income**								
	Credit related fees	**88,236**	62,114	**137,157**	106,415	**-**	-	**-**	-
	Account Maintenance	**823,518**	738,452	**1,613,689**	1,464,151	**-**	-	**-**	-
	Letters of credit commission	**235,783**	299,865	**390,799**	460,680	**-**	-	**-**	-
	Asset Management Fees	**774,755**	-	**1,526,331.47**	-	**-**	-	**-**	-
	Admininstration Fees	**36,615**	-	**73,255.00**	-	**-**	-	**-**	-
	Commission on off-balance sheet transactions	**151,261**	42,118	**251,477**	85,897	**-**	-	**-**	-
	Cards & Service fees and commissions	**4,649,561**	3,847,654	**9,018,487**	7,347,921	**-**	-	**-**	-
	Gross Fee and commission income	**6,759,729**	4,990,203	**13,011,195**	9,465,064	**-**	-	**-**	-
	Card and other recoverable expenses	**(1,423,452)**	(1,099,048)	**(2,766,069)**	(2,037,559)	**-**	-	**-**	-
	Other banks charges	**(190,262)**	(134,751)	**(311,368)**	(217,952)	**(6)**	-	**(6)**	(8)
	Fee and commission expense	**(1,613,714)**	(1,233,799)	**(3,077,437)**	(2,255,511)	**(6)**	-	**(6)**	(8)
	Net fee and commission income	**5,146,015**	3,756,404	**9,933,758**	7,209,553	**(6)**	-	**(6)**	(8)
	Net trading income								
	Foreign exchange trading income	**766,873**	107,899	**1,772,467**	350,602	**137,428**	-	**137,428**	-
	Bonds trading (loss) / income	**103,522**	38,799	**264,655**	150,356	**-**	-	**-**	-
	Treasury bills trading income	**1,289,301**	524,025	**1,867,579**	828,033	**-**	-	**-**	-
	Equities trading income	**(1,735)**	28,059	**7,274**	28,059	**-**	-	**-**	-
		2,157,961	698,782	**3,911,975**	1,357,050	**137,428**	-	**137,428**	-
6	**Net gains / (losses) from other financial instruments at fair value**								
	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	**-**	-	**-**	-	**120,129**	-	**120,129**	-
	Dividends on unquoted equity securities at cost	**343,560**	492,919	**420,294**	533,181	**-**	121,924	**-**	121,924
	Foreign exchange gains	**408,034**	33,092	**1,348,799**	603,841	**77,554**	(4,354)	**119,421**	8,410
	Profit on disposal of investment securities	**275,401**	-	**682,760**	-	**275,401**	-	**682,760**	-
	Profit / (loss) on sale of property and equipment	**8,051**	(10,277)	**8,430**	1,079,547	**20**	-	**46**	46
	Other income	**139,841**	244,975	**231,117**	2,012,535	**16,835**	22,951	**73,737**	23,056
		1,174,887	760,709	**2,691,400**	4,229,104	**489,939**	140,521	**996,093**	153,436
8	**Other operating expenses**								
	Personnel expenses	**6,055,348**	5,429,003	**12,022,027**	11,512,255	**63,124**	65,000	**129,462**	105,119
	Depreciation	**1,037,970**	1,026,604	**2,082,910**	2,060,014	**5,267**	5,266	**10,485**	10,618
	Amortisation	**310,061**	296,386	**630,743**	547,720	**-**	240	**-**	481
	Gen & Admin	**7,183,622**	6,056,413	**13,553,165**	12,253,457	**185,564**	117,949	**299,667**	206,307
	Other expenses	**5,081,489**	2,648,416	**9,079,689**	5,334,300	**50,960**	81,820	**97,537**	117,140
		19,668,490	15,456,822	**37,368,534**	31,707,746	**304,915**	270,275	**537,151**	439,665
	Earnings per share								
	Profit attributable to equity holders of the Company	**3,104,996**	1,437,556	**5,656,264**	3,018,850	**413,950**	76,961	**814,545**	129,274
	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)	0.63	0.29	0.57	0.30	0.08	0.02	0.08	0.01

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 JUN 2018**	**31 DEC 2017**	**30 JUN 2018**	**31 DEC 2017**
ASSETS					
Cash and cash equivalents	21	**136,340,144**	103,888,007	**651,344**	146,366
Restricted reserve deposits	22	**128,095,548**	109,638,559	**-**	-
Trading assets	23(a)	**28,465,558**	24,044,850	**-**	-
Loans and advances to customers	24	**585,982,448**	649,796,726	**-**	-
Assets pledged as collateral	26	**62,950,782**	61,330,157	**-**	-
Investment securities	25	**201,525,675**	153,319,840	**3,790,073**	5,109,140
Investment in subsidiaries	27	**-**	-	**125,594,702**	125,594,702
Property and equipment	28	**34,433,394**	33,402,173	**29,614**	38,022
Intangible assets	29	**14,958,769**	14,920,960	**-**	-
Deferred tax assets	30	**8,233,563**	8,233,563	**-**	-
Other assets	31	**27,598,318**	27,604,320	**174,801**	748,575
Total assets		**1,228,584,199**	1,186,179,155	**130,240,534**	131,636,805
LIABILITIES					
Trading liabilities	23(b)	**9,682,334**	21,616,660	**-**	-
Deposits from banks	32	**34,900,281**	6,355,389	**-**	-
Deposits from customers	33	**721,286,394**	689,860,640	**-**	-
Borrowings	34	**97,594,656**	109,434,970	**-**	-
On-lending facilities	35	**53,561,104**	42,534,316	**-**	-
Debt securities issued	36	**54,781,042**	54,691,520	**-**	-
Retirement benefit obligations	37	**149,173**	70,364	**-**	-
Other long term benefits					
Current income tax liabilities	20(ii)	**3,847,487**	3,860,163	**55,155**	59,915
Deferred tax liabilities	30	**106,821.00**	106,821.00	**-**	-
Provision	38	**6,160,586**	5,222,471	**703,630**	303,630
Other liabilities	39	**69,500,379**	63,458,211	**1,002,878**	1,628,663
Total liabilities		**1,051,570,257**	997,211,525	**1,761,663**	1,992,208
EQUITY					
Share capital	40(b)	**9,901,355**	9,901,355	**9,901,355**	9,901,355
Share premium	41	**115,392,414**	115,392,414	**115,392,414**	115,392,414
Retained earnings	41	**18,704,117**	30,266,964	**3,185,102**	4,350,828
Other reserves	41	**32,584,128**	33,044,691	**-**	-
Total Equity attributable to owners of the Company		**176,582,014**	188,605,424	**128,478,871**	129,644,597
Non-controlling Interests		**431,927**	362,206	**-**	-
		177,013,942	188,967,630	**128,478,871**	129,644,597
Total liabilities and equity		**1,228,584,199**	1,186,179,155	**130,240,534**	131,636,805
Acceptances and guarantees	43(b)	**209,786,417**	164,901,240	**-**	-

The financial statements and the accompanying notes and significant accounting policies were approved by the Board of Directors on 26 July 2018 and signed on its behalf by:

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

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

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018

GROUP
In thousands of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Translation reserve	Available for sale reserve	Regulatory risk reserve	Non-controlling Interest	Total equity
Balance at 1 January 2018	**9,901,355**	**115,392,414**	**30,266,964**	**8,887,811**	**-**	**6,852,261**	**2,547,807**	**14,756,812**	**362,206**	**188,967,630**
Changes on initial application of IFRS 9 (Note 41)	-	-	(15,238,840)	-	-	-	-	-		**(15,238,840)**
Restated balance as at 1 January 2018	**9,901,355**	**115,392,414**	**15,028,124**	**8,887,811**	**-**	**6,852,261**	**2,547,807**	**14,756,812**	**362,206**	**173,728,790**
Profit for the period	-	-	5,656,264	-	-	-	-	-	69,722	**5,725,986**
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	-	-	489,359	-	-	-	**489,359**
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	(949,922)	-	-	(949,922)
Total comprehensive income for the period	**-**	**-**	**5,656,264**	**-**	**-**	**489,359**	**(949,922)**	**-**	**69,722**	**5,265,423**
Transactions with owners recorded directly in equity										
Dividend paid	-	-	(1,980,271)	-	-	-	-	-		(1,980,271)
Total Contributions by and distributions	**-**	**-**	**(1,980,271)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,980,271)**
Balance at 30 June 2018	**9,901,355**	**115,392,414**	**18,704,117**	**8,887,811**	**-**	**7,341,620**	**1,597,885**	**14,756,812**	**431,927**	**177,013,942**

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

COMPANY
In thousand of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Translation reserve	Available for sale reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2018	**9,901,355**	**115,392,414**	**4,350,828**	**-**	**-**	**-**	**-**	**-**	**129,644,597**
Changes on initial application of IFRS 9 (Note 41)	-	-	-	-	-	-	-	-	**-**
Restated balance as at 1 January 2018	**9,901,355**	**115,392,414**	**4,350,828**	**-**	**-**	**-**	**-**	**-**	**129,644,597**
Profit for the period	-	-	814,545	-	-	-	-	-	**814,545**
Other comprehensive income									
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	**-**
Total comprehensive income for the period	-	-	**814,545**	-	**-**	-	-	-	**814,545**
Transactions with owners recorded directly in equity									
Dividend paid	-	-	(1,980,271)	-	-	-	-	-	(1,980,271)
Total Contributions by and distributions	**-**	**-**	**(1,980,271)**	**-**	**-**	**-**	**-**	**-**	**(1,980,271)**
Balance at 30 June 2018	**9,901,355**	**115,392,414**	**3,185,102**	**-**	**-**	**-**	**-**	**-**	**128,478,871**

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 2018

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 JUN 2018**	**30 JUN 2017**	**30 JUN 2018**	**30 JUN 2017**
Cash flows from operating activities					
Profit for the year		**5,725,986**	3,018,850	**814,545**	129,274
Adjustments for:					
Net impairment loss on financial assets		**7,332,957**	9,971,883	**-**	-
Fair value (gain)/loss on financial assets held for trading		**(485,269)**	(10,889)	**-**	-
Net income from other financial instruments at fair value through profit or loss		**-**	(103,434)	**-**	-
Amortisation of intangibles		**630,743**	547,720	**-**	481
Depreciation of property and equipment		**2,082,910**	2,060,014	**10,485**	10,618
(Gain)/loss on disposal of property and equipment		**(8,430)**	(1,079,547)	**(46)**	(46)
Unrealised foreign exchange gains		**(1,348,799)**	(603,841)	**(119,421)**	(8,410)
Net interest income		**(35,269,177)**	(32,496,723)	**(218,181)**	(415,511)
Dividend income		**(420,294)**	(533,181)	**(120,129)**	(121,924)
Tax expense		**1,378,833**	805,371	**-**	-
		(21,063,300)	(18,423,777)	**(315,507)**	(405,518)
Changes in operating assets and liabilities					
Net decrease/ (increase) in restricted reserve deposits		**(18,456,989)**	(16,055,793)	**-**	-
Net decrease in derivative assets held for risk management		**-**	1,018,912	**-**	-
Net increase in trading assets		**(4,420,708)**	(1,380,266)	**-**	-
Net decrease/(increase) in loans and advances to customers		**54,590,762**	12,549,454	**-**	-
Net increase in other assets		**6,002**	(3,931,270)	**573,774**	2,077,258
Net increase /(decrease) in trading liabilities		**(11,934,326)**	6,255,933	**-**	-
Net (decrease) / increase in deposits from banks		**28,544,892**	51,514,582	**-**	-
Net increase / (decrease) in deposits from customers		**31,425,754**	(24,133,100)	**-**	-
Net increase in on-lending facilities		**9,228,712**	8,567,071	**-**	-
Net decrease in derivative liabilities held for risk management		**-**	(770,201)	**-**	-
Net increase /(decrease) in provision		**883,795**	-	**400,000**	-
Net decrease in other liabilities		**5,652,728**	(12,439,231)	**(633,320)**	89,753
		74,457,322	2,772,314	**24,947**	1,761,493
Interest received		**67,634,485**	67,879,465	**218,181**	415,511
Interest paid		**(28,503,701)**	(29,779,562)	**-**	-
Dividends received		**420,294**	533,181	**120,129**	121,924
VAT paid		**(168,699)**	(258,270)	**(23,412)**	-
Income taxes paid		**(1,391,509)**	(712,717)	**(4,760)**	-
Net cash generated from /(used in) operating activities		**112,448,192**	40,434,411	**335,085**	2,298,928
Cash flows from investing activities					
Purchase of property and equipment		**(3,820,198)**	(4,363,613)	**(2,062)**	(357)
Purchase of intangible assets		**(476,264)**	(748,414)	**-**	-
Purchase of intangible assets - Work-in-progress		**(68,856)**	-	**-**	-
Proceeds from sale of property and equipment		**712,205**	2,103,744	**31**	720
Acquisition of investment securities		**(120,720,349)**	(15,359,418)	**-**	(830,095)
Proceeds from sale and redemption of investment securities		**45,472,568**	17,043,977	**2,280,830**	-
Net cash used in investing activities		**(78,900,894)**	(1,323,724)	**2,278,799**	(829,732)
Cash flows from financing activities					
Dividend paid		**(1,980,271)**	(1,980,270)	**(1,980,271)**	(1,980,271)
Proceeds from long term borrowing		**11,880,147**	-	**-**	-
Repayment of long term borrowing		**(11,266,636)**	(19,669,112)	**-**	-
Net cash used in financing activities		**(1,366,760)**	(21,649,382)	**(1,980,271)**	(1,980,271)
Net (decrease) / increase in cash and cash equivalents		**32,180,538**	17,461,304	**633,613**	(511,075)
Cash and cash equivalents at start of period		**103,888,007**	108,104,632	**146,366**	5,817,754
Effect of exchange rate fluctuations on cash and cash equivalents held		**271,599**	(20,923,162)	**(128,635)**	(338,055)
Cash and cash equivalents at end of period		**136,340,144**	104,642,774	**651,344**	4,968,624

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

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED AND SEPARATE 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 six direct subsidiaries; First City Monument Bank Limited (100%), FCMB Capital Markets Limited (100%), CSL Stockbrokers Limited (100%), CSL Trustees Limited (100%), FCMB Microfinance Bank Limited (100%) and Legacy Pension Managers Limited (88.22%).

FCMB Group Plc is a company domiciled in Nigeria. The address of the company's registered office is 44 Marina, Lagos. These unaudited interim reports for the period ended 31 March 2018 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 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, and relevant Central Bank of Nigeria circulars and guidelines. The IFRS accounting policies have been consistently applied to all periods presented.

These consolidated and separate financial statements were authorised for issue by the Board of directors on 8 March 2018

(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 5.

(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.

(vi) Non-controlling interest

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

(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

(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 Banking subsidiary's and Group's day-to-day operations. They are calculated as a fixed percentage of the Banking subsidiary'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) Derivatives held for risk management purposes

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

(r) Property and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale. Leasehold land is not depreciated.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

Leasehold land	Indefinite
Buildings	50 years
Leasehold improvement	Over the shorter of the useful life of the item or lease term
Motor vehicles	4 years
Furniture, fittings and equipment	5 years
Computer equipment	4 years

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

(iv) De-recognition

When an item of work in progress is completed and is available for use, the asset is de-classified to the relevant class of the asset under property and equipment. An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

(s) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in the statement of profit or loss; Goodwill on acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Subsequent measurement

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8. Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Software

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

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

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

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

(t) Impairment of non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

Deposits, debt securities issued, onlending 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, interpretations and amendments to existing standards that are not yet effective**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, 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) Adoption of IFRS 9 Financial Instruments

In July 2014, the IASB issued IFRS 9 Financial Instruments (IFRS 9), which addresses impairment, classification, measurement and hedge accounting. IFRS 9 is effective for the Group for the financial year beginning 1 January 2018.

Guidance relating to the adoption of IFRS 9 has been provided by the Central Bank of Nigeria (CBN) in its Guidance Note to Banks and Discount Houses on the Implementation of IFRS 9 Financial Instruments in Nigeria (CBN Guideline). The CBN Guideline was considered in the determination of the allowance for credit losses. Based on 31 December 2017 data and current implementation status, we estimate the adoption of IFRS 9 will lead to an additional impairment approximately range between N11.66billion and N14.84billion before tax driven by the impairment requirements of IFRS 9. The above assessment is preliminary because not all transition work has been finalized. The actual impact of adoption of IFRS 9 on 1 January 2018 may change because:

* IFRS 9 will require the Group to revise its accounting processes and internal controls and these changes are not yet complete;

* the new accounting policies, assumptions, judgements and estimation techniques employed are subject to change until the Group finalizes its first financial statements that include the date of initial application.

* although parallel runs were carried out in the last quarter of 2017, the new systems and associated controls in place have not been operational for a more extended period;

* the Group is refining and finalizing its models for expected credit loss (ECL) calculations.

IFRS 9 implementation strategy

The Group's IFRS 9 implementation process is governed by a steering committee whose members include representatives from risk, finance, operations and IT functions. The steering committee meets monthly to challenge key assumptions, approve decisions and monitor the progress of the implementation work across the Group, including evaluation of whether the project has sufficient resources. Also the services of an independent consultant was engaged to help evaluate, assess and monitor the implementation.

The Group has completed the preliminary impact assessment and most of the accounting analysis and has worked on the design and build of models, systems, processes and controls. An application, VBox was deployed managed by Manticore to help in the implementation.

Classification and Measurement of Financial Assets and Liabilities

Debt Instruments

The new standard requires that the Group classify debt instruments based on its business model for managing the assets and the contractual cash flow characteristics of those assets.The Business model refers to how an entity manages its financial assets to generate cash flows. Debt instruments will be measured at fair value through profit and loss unless certain conditions are met that permit measurement at fair value through other comprehensive income (FVOCI) or amortized cost. Debt instruments that have contractual cash flows representing only payments of principal and interest will be eligible for classification as FVOCI or amortized cost. Gains and losses recorded in other comprehensive income for debt instruments will be recognized in profit or loss only on disposal.

Equity Instruments

Equity instruments would be measured at fair value through profit or loss unless we irrevocably elect to measure them at fair value through other comprehensive income (FVOCI). Future unrealized gains and losses on fair value through profit or loss equity instruments will be recorded in income.

Based on the Group preliminary high-level assessment of possible changes to the classification and measurement of financial assets held as at 31 December 2017, the Group's current expectation is that:

* Trading assets are classified as held-for-trading and measured at FVTPL under IAS 39 would in general also be measured at FVTPL under IFRS 9;

* Loans and advances to banks and customers that are classified as loans and receivables and measured at amortized cost under IAS 39 would in general also be measured at amortized cost under IFRS 9;

* Debt securities that are classified as held-to-maturity investment securities and measured at amortized cost under IAS 39 would in general also be measured at amortized cost under IFRS 9;

* Debt securities that are classified as available-for-sale under IAS 39 may, under IFRS 9, be measured at amortized cost, FVOCI or FVTPL, depending on the particular circumstances.

* Quoted equity securities classified as available-for-sale and measured at FVOCI under IAS 39 would generally be measured at FVTPL under IFRS 9.

* Unquoted equity securities at cost under available-for-sale investments under IAS 39 may, under IFRS 9, be measured at amortized cost, FVOCI or FVTPL, depending on the particular circumstances.

Impairment of Financial Assets, Loan Commitments and Financial Guarantee Contracts

IFRS 9 introduces a new expected credit loss (ECL) impairment framework for all financial assets and certain off-balance sheet loan commitments and guarantees. The new ECL framework will result in an allowance for expected credit losses being recorded on financial assets regardless of whether there has been an actual loss event. This differs from the current approach where the allowance recorded on performing loans is designed to capture only losses that have been incurred, whether or not they have been specifically identified.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement over how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model applies to the following financial instruments that are not measured at fair value through profit or loss:

* financial assets that are debt instruments;
* loans and receivables; and
* loan commitments and financial guarantee contracts issued

Under IFRS 9, no impairment loss is recognized on equity investments.
Under IFRS 9, the Group will recognize loss allowances at an amount equal to lifetime ECL, except in the following cases, where the amount recognized will be 12-month ECL:

* debt investment securities that are determined to have low credit risk at the reporting date; and
* Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

The assessment of whether credit risk on financial asset has increased significantly will be on critical judgements in implementing the impairment model of IFRS 9. Loss allowance for lease receivables will always be measured at an amount equal to lifetime ECL. 12-months ECL are the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL

ECLs are a possibility-weighted estimate of credit losses and will be measured as follows:

* Financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);

* Financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;

* Undrawn loan commitments: the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and

* Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

IFRS 9 Impairment model uses a three stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk (SIR) since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months. For those assets with a remaining maturity of less than 12 months, a PD is used that corresponds to remaining maturity. This Stage 1 approach is different from the incurred loss approach, which estimates a collective allowance to recognize losses that have been incurred but not reported on performing loans. We always will see less impairment than before based on the PD curve over 12 months, always starting with 0%

Stage 2 – When a financial asset experiences a SIR subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Impairments are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1. We see slight increase in impairment based on the Life Time consideration.

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime expected credit losses. The impairment requirements of IFRS 9 are complex and require management judgments, estimates and assumptions, particularly in the areas of assessing whether the credit risk of an instrument has increased significantly since initial recognition and incorporating forward-looking information into the measurement of ECLs. The calculation is similar to what it was before.

In the result the increase comes from stage 2, but is partially offset by the decrease in stage 1.

Definition of default

Under IFRS 9, the Group will consider a financial asset to be in default when:

* the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing collaterals (if any is held); or

* the borrower is more than 90 days past due on any material credit obligation to the Group. Overdrafts are considered past dues once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding.

Significant increase in credit risk (SIC)

Under IFRS 9, when determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group will consider reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and forward-looking information.

The Group will primarily identify whether a significant increase in credit risk has occurred for an exposure by comparing:

* the remaining lifetime probability of default (PD) as at the reporting date; with

* the remaining lifetime PD for this point in time that was estimated on initial recognition of the exposure.

Inputs into measurement of ECL

The key inputs into the measurement of ECL are likely to be the term structures of the following variables:

* probability of default (PD);
* loss given default (LGD);
* exposure at default (EAD).

In general, the Group expects to drive these parameters from internally developed statistical models and other historical data. They will be adjusted to reflect for forward-looking information as described above.

Probability of default (PD) estimates are estimates at a certain date, which the Group expects to calculate based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are expected to be based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between ratings classes, then this will lead to a change in the estimate of the associated PD. PDs will be estimated considering the contractual maturities of exposures and estimated prepayment rates.

Loss given default (LGD) is the magnitude of the likely loss if there is a default. The Group plans to estimate LGD parameters based on the history of recovery rates of claims against defaulted counterparties. It expects the LGD models to consider the structure, collateral, seniority of claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. The Group expects to calibrate LGD estimates for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They will be calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

Exposure at default (EAD) represents the expected exposure in the event of a default. The Group expects to derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset will be the gross carrying amount at default. For lending commitments and financial guarantees, the EAD will consider the amount drawn, as well as potential future amounts that may be drawn or repaid under the contract, which will be estimated based on historical observations and forward-looking forecasts. For some financial assets, the Group expects to determine EAD by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of 12-month PD for financial assets for which credit risk has not significantly increased, the Group will measure ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayments of an advance or terminate a loan commitment or guarantee.

For retail overdrafts and credit card facilities that include both a loan and an undrawn commitment component, the Group will measure ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period will be estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Forward-looking information (FLI)

The Group will incorporate forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Risk Management Committee and consideration of a variety of external actual and forecast information, the Group intends to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process would involve developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information may include economic data and forecasts published by governmental bodies and monetary authorities, supranational organizations and selected private-sector and academic forecasters.

The base case is expected to represent a most-likely outcome and be aligned with information used by the Group for other purposes, such as strategic planning and budgeting. The other scenarios would represent more optimistic and more pessimistic outcomes. The Group plans also to periodically carry out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group is in the process of identifying and documenting key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, estimating relationships between macro-economic variables and credit risk and credit losses.

Hedge Accounting

IFRS 9 introduces a new hedge accounting model that expands the scope of hedged items and risks eligible for hedge accounting and aligns hedge accounting more closely with risk management. The new model no longer specifies quantitative measures for effectiveness testing and does not permit hedge de-designation. The Group does not apply hedge accounting and therefore does not expect any changes to the financial statements in respect of the new requirements on hedge accounting.

Disclosures

IFRS 9 will require extensive new disclosures, in particular about credit risk and ECLs.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which the financial assets is managed and its contractual cash flow characteristics

The effect of adopting IFRS 9 on the carrying amounts of financial assets as at 1 January 2018 relates solely to the new impairment requirements, as described below.

Impacts on Governance and Controls

The Group has applied its existing governance framework to ensure that appropriate controls and validations are in place over key processes and judgments to determine the ECL. As part of the implementation, the Bank is in the process of sanitizing the existing internal controls and implementing new controls where required in areas that are impacted by IFRS 9, including controls over the development and probability weighting of macroeconomic scenarios, credit risk data and systems, and the determination of a significant increase in credit risk.

Impacts on Capital Planning

IFRS 9 will impact the reported capital as a result of the adjustment recorded in shareholders' equity on adoption of the standard; this impact is not expected to be significant.

(ii) IFRS 15, Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

The Group has completed an initial review of the potential impact of the adoption of IFRS 15 on its consolidated financial statements. This focused on a review of fee and commission income. The Group earns fee and commission income (other than fees included in the calculation of the effective interest rate) on provision of the following services; retail banking, corporate banking, and financial guarantees issued.

The Group will adopt the standard and its amendments in the financial year beginning on 1 January, 2018 and plans to use the modified retrospective approach. Under this approach, the Group will recognize the cumulative effect of initially applying the standard as an adjustment to the opening balances of retained earnings as of 1 January, 2018, without restating comparative periods. Additional disclosures will be required in order to explain any significant changes between reported results and results had the previous revenue standard been applied.

The standard does not apply to revenue associated with financial instruments, and therefore, will not impact the majority of the Group's revenue, including interest income, trading revenue and securities gains which are covered under IFRS 9 Financial Instruments. The implementation of the standard is being led by the Financial control department in coordination with the business segments. The areas of focus for the Group's assessment of impact are fees and commissions. The Group has been working to identify and review the customer contracts within the scope of the new standard. While the assessment is not complete, the timing of the Group's revenue recognition of fees and commissions within the scope of this standard is not expected to materially change. The Group is also evaluating the additional disclosures that may be relevant and required.

(iii) IFRS 16, Leases

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

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

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Lease, IFRIC 4 Determining whether an Arrangement contains a lease, SIC – 15 Operating Leases – incentives and SIC – 27 Evaluating the Substance of Transactions involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16. The Group is currently in the process of assessing the impact that the initial application would have on its business.

Transition

The Group currently plans to apply IFRS 16 initially on 1 January 2019

As a lessee, the Group can either apply the standard using a:

* Respective approach; or
* modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases. The Group has not yet determined which transition approach to approach. As a lessor, the Group is not required to make any adjustments for leases except where it is an intermediate lessor in a sub-lease.

The Group has not yet quantified the impact on its reported assets and liabilities of the adoption of IFRS 16. The quantitative effect will depend on, inter alia, the transition method chosen, the extent to which the Group uses the practical expedients and recognition exemptions, and any additional leases that the Group enters into. The Group expects to disclose its transition approach and quantitative information before adoption.

(iv)) IFRIC 22: Foreign currency transactions and advance consideration

The amendments clarifies the transaction date to be used in determining the exchange rate for translation of foreign currency transactions involving an advance payment or receipt.

The amendments clarifies that the transaction date is the date on which the Group initially recognises the prepayment or deferred income arising from the advance consideration.
For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The interpretation applies when the Group:

For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The interpretation applies when the Group:
• pays or receives consideration in a foreign currency; and
• recognises a non-monetary asset or liability – e.g. non-refundable advance consideration – before recognising the related item.
The Group will adopt the amendments for the year ending 31 December 2018.

(v) IFRIC 23: Uncertainty over income tax treatments
These amendments provide clarity on the accounting for income tax treatments that have yet to be accepted by the tax authorities.

The amendments clarifies that the key test for determining the amounts to be recognised in the financial statements is whether it is probable that the tax authority will accept the chosen tax treatment; this could result in an increase in the tax liability or a recognition of an asset depending on the current practice of the Group.
The Group will adopt the amendments for the year ending 31 December 2019

Notes to the consolidated and separate financial statements

	In thousands of Naira	GROUP 6months ended 30 June 2018	GROUP 6months ended 30 June 2017	COMPANY 6months ended 30 June 2018	COMPANY 6months ended 30 June 2017
8	**Interest and discount income**				
	Cash and cash equivalents	1,047,500	372,186	8,927	232,009
	Loans and advances to customers	48,283,780	50,828,420	-	-
	Investments in government & corporate securities:				
	– Available for sale	8,374,884	3,383,053	-	-
	– Held for trading	7,838	136,598	-	-
	– Held to maturity	6,596,084	7,633,445	209,254	183,502
		64,310,086	62,353,702	218,181	415,511
9	**Interest expense**				
	Deposits from banks	95,909	2,063,947	-	-
	Deposits from customers	19,338,604	17,062,008	-	-
		19,434,513	19,125,955	-	-
	Borrowings	4,024,653	5,819,428	-	-
	Debt securities issued	4,135,301	4,119,768	-	-
	Onlending facitilies	1,446,442	791,828	-	-
		29,040,909	29,856,979	-	-
10	**Net impairment loss on financial assets**				
(a)	**Loans and advances to customers**				
	Specific impairment charge (see note 24 (c (i)))	8,602,397	6,210,136	-	-
	Collective impairment charge (see note 24 (c (ii)))	487,826	5,553,157	-	-
	Recoveries on loans previously written off	(3,214,820)	(2,279,015)	-	-
		5,875,403	9,484,278	-	-
(b)	**Other assets**				
	Impairment charge (see note 31(c))	1,457,554	487,605	-	-
		1,457,554	487,605	-	-
		7,332,957	9,971,883	-	-

	In thousands of Naira	GROUP 6months ended 30 June 2018	GROUP 6months ended 30 June 2017	COMPANY 6months ended 30 June 2018	COMPANY 6months ended 30 June 2017
11	**Net fee and commission income**				
	Credit related fees	137,157	106,415	-	-
	Account Maintenance	1,613,689	1,464,151	-	-
	Letters of credit commission	390,799	460,680	-	-
	Asset Management Fees	1,526,331	-	-	-
	Admininstration Fees	73,255	-	-	-
	Commission on off-balance sheet transactions	251,477	85,897	-	-
	Cards & Service fees and commissions	9,018,487	7,347,921	-	-
	Gross Fee and commission income	13,011,195	9,465,064	-	-
	Card and cheque books recoverable expenses	(2,766,069)	(2,037,559)	-	-
	Other banks charges	(311,368)	(217,952)	(6)	(8)
	Fee and commission expense	(3,077,437)	(2,255,511)	(6)	(8)
	Net fee and commission income	9,933,758	7,209,553	(6)	(8)
12	**Net trading income**				
	Foreign exchange trading income	1,772,467	350,602	137,428	-
	Bonds trading income	264,655	150,356	-	-
	Treasury bills trading income	1,867,579	828,033	-	-
	Options & Equities trading income	7,274	28,059	-	-
		3,911,975	1,357,050	137,428	-
13	**Net income from financial instruments measured at fair value through profit or loss**				
	Net income arising on:				
	Fair value gain on derivative financial instruments held for risk management	-	103,434	-	-
		-	103,434	-	-
14	**Other income**				
	Dividends on equity investment securities in the subsidiaries (see note (a) below)	-	-	120,129	-
	Dividends on unquoted equity securities at cost	420,294	533,181	-	121,924
	Foreign exchange gains	1,348,799	603,841	119,421	8,410
	Gain on disposal of investment securities	682,760	-	682,760	-
	Gain on sale of property and equipment	8,430	1,079,547	46	46
	Other income (see note (b) below)	231,117	2,012,535	73,737	23,056
		2,691,400	4,229,104	996,093	153,436

(a) This amount N120.13m (2017: Nil) represents dividend income received from CSL Trustees Limited, a subsidary of the Group, which has been eliminated at the Group.

(b)	Other income comprises:				
	Rental income	183,586	386,835	-	-
	Other recoveries	47,531	1,625,700	47,531	-
	Shared services income	-	-	26,206	23,056
		231,117	2,012,535	73,737	23,056

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 6months ended 30 June 2018	GROUP 6months ended 30 June 2017	COMPANY 6months ended 30 June 2018	COMPANY 6months ended 30 June 2017
15 Personel expenses				
Wages and salaries	**9,953,689**	9,341,529	**120,562**	96,428
Contributions to defined contribution plans (see note 37)	**311,285**	263,380	**4,186**	2,871
Non-payroll staff cost (see note (a) below)	**1,757,053**	1,907,346	**4,714**	5,820
	12,022,027	11,512,255	**129,462**	105,119

(a) **Non-payroll staff cost**
Non-payroll staff cost also includes medical expenses, club subscriptions and other related expenses not paid to staff.

In thousands of Naira	GROUP 6months ended 30 June 2018	GROUP 6months ended 30 June 2017	COMPANY 6months ended 30 June 2018	COMPANY 6months ended 30 June 2017
16 Depreciation and amortisation				
Amortisation of intangibles (see note 29)	**630,743**	547,720	**-**	481
Depreciation of property and equipment (see note 28)	**2,082,910**	2,060,014	**10,485**	10,618
	2,713,653	2,607,734	**10,485**	11,099

In thousands of Naira	GROUP 6months ended 30 June 2018	GROUP 6months ended 30 June 2017	COMPANY 6months ended 30 June 2018	COMPANY 6months ended 30 June 2017
17 General and administrative expenses				
Communication, stationery and postage	**815,205**	913,945	**5,529**	5,165
Business travel expenses	**528,370**	443,403	**3,771**	6,208
Advert, promotion and corporate gifts	**1,632,351**	993,600	**1,140**	893
Business premises and equipment costs	**2,265,619**	2,157,748	**12,389**	11,229
Directors' emoluments and expenses	**442,209**	501,481	**143,482**	122,547
IT expenses	**1,921,639**	1,453,813	**4,052**	3,761
Contract Services and training expenses	**2,592,393**	2,564,694	**470**	934
Vehicles maintenance expenses	**752,447**	738,110	**846**	1,495
Security expenses	**1,058,855**	1,065,268	**-**	-
Auditors' remuneration	**209,074**	159,959	**19,308**	17,500
Professional charges	**1,335,003**	1,261,436	**108,680**	36,575
	13,553,165	12,253,457	**299,667**	206,307

In thousands of Naira	GROUP 6months ended 30 June 2018	GROUP 6months ended 30 June 2017	COMPANY 6months ended 30 June 2018	COMPANY 6months ended 30 June 2017
18 Other operating expenses				
NDIC Insurance Premium & other insurances	**1,765,129**	1,755,053	**1,634**	1,974
AMCON Levy	**4,946,007**	2,827,879	**-**	-
Others (see note (a) below)	**2,368,553**	751,368	**95,903**	115,166
	9,079,689	5,334,300	**97,537**	117,140
(a) Others comprises:				
AGM, meetings and shareholders expenses	**176,165**	180,920	**84,619**	108,170
Donation and sponsorship expenses	**286,569**	177,066	**1,667**	-
Entertainment expenses	**170,305**	129,176	**2,319**	2,446
Fraud and forgery expense	**124,243**	12,775	**-**	-
Rental expenses	**115,506**	86,844	**4,304**	4,489
Other accounts written off	**49,521**	45,892	**-**	61
Provision for litigation	**1,263,017**	111,015	**-**	-
Industrial training fund levy	**87,889**	-	**1,497**	-
Nigeria Social Insurance Trust Fund expenses	**86,738**	-	**1,497**	-
Penalties	**8,600**	7,680	**-**	-
	2,368,553	751,368	**95,903**	115,166

In thousands of Naira	GROUP 6months ended 30 June 2018	GROUP 6months ended 30 June 2017	COMPANY 6months ended 30 June 2018	COMPANY 6months ended 30 June 2017
19 Earnings per share				
Basic and diluted earnings per share				
Profit attributable to equity holders	**5,656,264**	3,018,850	**814,545**	129,274
Weighted average number of ordinary shares in issue	**19,802,710**	19,802,710	**19,802,710**	19,802,710
	0.57	0.30	**0.08**	0.01
The Group does not have dilutive potential ordinary shares as at 30 June 2018 (June 2017: nil).				
20 Tax expense				
(i) **Current tax expense:**				
Minimum tax (see note 20(ii))	**450,000**	450,000	**-**	-
Corporate income tax (see note 20(ii))	**928,833**	355,371	**-**	-
	1,378,833	805,371	**-**	-
Total tax expense	**1,378,833**	805,371	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
(ii) **Current income tax liability**				
Beginning of the period	**3,860,163**	2,859,562	**59,915**	44,582
Tax paid	**(1,391,509)**	(410,944)	**(4,760)**	-
Tax refund	**-**	(968,119)	**-**	-
Minimum tax	**450,000**	996,366	**-**	-
Capital gain tax	**-**	89,519	**-**	-
National Information Technology Development Agency (NITDA) levy	**-**	131,229	**-**	10,573
Tertiary education tax	**-**	107,402	**-**	4,760
Income tax expense	**928,833**	1,055,148	**-**	-
	3,847,487	3,860,163	**55,155**	59,915

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
21 Cash and cash equivalents				
Cash	**58,040,562**	27,454,048	**-**	-
Current balances within Nigeria	**1,999,674**	1,860,535	**136,431**	146,366
Current balances outside Nigeria (see note (b))	**47,681,638**	43,934,323	**-**	-
Placements with local banks	**5,106,331**	10,617,721	**514,913**	-
Placements with foreign banks	**7,420,751**	9,319,904	**-**	-
Unrestricted balances with Central banks	**16,091,188**	10,701,476	**-**	-
	136,340,144	103,888,007	**651,344**	146,366

(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.

(b) Balances with banks outside Nigeria include N22.51billion (31 December 2017: N16.78billion) which represents the naira value of foreign currency amounts held by the Banking on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (see Note 39).

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
22 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks	**128,095,548**	109,638,559	**-**	-
	128,095,548	109,638,559	**-**	-
Current	**-**	-	**-**	-
Non-current	**128,095,548**	109,638,559	**-**	-
	128,095,548	109,638,559	**-**	-

(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 are non interest-bearing and are computed as a fixed percentage of the Banking subsidiary's qualifying deposit liabilities. In 2017, the CBN granted the Bank a temporary Cash Reserve Ratio (CRR) relief of N73billion, refundable July 2018.

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
23(a) Trading assets				
Bonds - fair value through profit or loss (FVTPL)	**13,483,977**	2,020,117	**-**	-
Treasury Bills - fair value through profit or loss (FVTPL)	**14,713,363**	21,888,330	**-**	-
Equity securities	**48,600**	27,584	**-**	-
Legacy Short Maturity Fund	**39,857**	38,819	**-**	-
Legacy Equity Fund	**69,500**	70,000	**-**	-
Legacy USD Bond Fund	**110,261**	-	**-**	-
	28,465,558	24,044,850	**-**	-
(b) Trading liabilities				
Short sold positions - Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	**7,582,334**	3,303,109	**-**	-
Short sold positions - Treasury bills - fair value through profit or loss (FVTPL)	**2,100,000**	18,313,551	**-**	-
	9,682,334	21,616,660	**-**	-

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
24 Loans and advances to customers				
(a) Overdrafts	**35,868,598**	40,791,972	**-**	-
Term loans	**549,819,938**	589,991,932	**-**	-
On-lending facilities	**31,579,805**	25,645,164	**-**	-
Advances under finance lease	**16,229,510**	18,672,757	**-**	-
Gross loans and advances to customers	**633,497,851**	675,101,825	**-**	-
Less allowance for specific & collective impairment	**(47,515,403)**	(25,305,099)	**-**	-
Net loans and advances to customers	**585,982,448**	649,796,726	**-**	-

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
(b) Finance lease				
Loan and advances to customer at amortised cost include the following finance lease:				
Gross investment:				
Less than one year	**12,698,185**	6,021,839	**-**	-
Between one and five years	**5,689,294**	17,477,878	**-**	-
More than five years	**4,867,266**	3,377,909	**-**	-
	23,254,745	26,877,626	**-**	-
Unearned finance income	**(7,025,235)**	(8,204,869)	**-**	-
Net investment in finance leases	**16,229,510**	18,672,757	**-**	-
Less impairment allowance	**(1,132,909)**	(394,858)	**-**	-
	15,096,601	18,277,899	**-**	-
Net investment in finance leases				
Net investment in finance leases, receivables:				
Less than one year	**8,975,314**	4,919,672	**-**	-
Between one and five years	**4,801,778**	11,825,294	**-**	-
More than five years	**2,452,418**	1,927,791	**-**	-
	16,229,510	18,672,757	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
(c) Movement in allowances for impairment				
(i) Specific allowances for impairment				
Balance at 1 January	**15,303,954**	6,524,600	**-**	-
Changes on initial application of IFRS 9	**21,601,878**	-	**-**	-
Impairment loss for the period/year:				
Charge for the period (See Note 10(a))	**8,602,397**	24,049,911	**-**	-
Write offs	**-**	(15,270,557)	**-**	-
	45,508,229	15,303,954	**-**	-
(ii) Collective allowances for impairment				
Balance at 1 January	**10,001,147**	14,021,224	**-**	-
Acquired during the period / year	**-**	-	**-**	-
Changes on initial application of IFRS 9				-
Impairment loss for the period/year:				
Charge for the year (See Note 10(a))	**487,825**	1,355,446	**-**	-
Write offs	**(84,312)**	(5,375,523)	**-**	-
	2,007,175	10,001,147	**-**	-
	47,515,403	25,305,101	**-**	-

	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
25 Investment securities				
Investment securities at amortised cost (see note (a)(i) below)	**82,087,521**	70,913,205	**2,756,059**	2,647,592
Investment securities at FVTPL (see note (b),(c) and (d) below)	**119,438,154**	82,406,635	**1,034,014**	2,461,548
	201,525,675	153,319,840	**3,790,073**	5,109,140
(a) Investment securities at amortised cost				
Federal Government of Nigeria (FGN) Bonds - listed	**71,162,355**	57,501,141	**-**	-
State Government Bonds - unlisted	**7,493,696**	8,771,927	**-**	-
Treasury Bills	**620,292**	1,557,658	**-**	-
Corporate bonds - unlisted	**2,811,178**	3,082,479	**2,756,059**	2,647,592
	82,087,521	70,913,205	**2,756,059**	2,647,592
(b) Investment securities at FVTPL				
Federal Government of Nigeria (FGN) Bonds - listed	**19,243,709**	5,017,650	**-**	-
Federal Government of Nigeria (FGN) Sukuk Bonds	**5,920**	2,094,185	**-**	-
Treasury bills - listed	**88,711,406**	69,102,166	**-**	-
Unclaimed dividend investment fund	**916,045**	888,625	**916,045**	888,625
	108,877,080	77,102,626	**916,045**	888,625
(c) Quoted equity securities measured at FVTPL				
DAAR Communications Underwriting	**37,277**	37,277	**-**	-
Unity Bank Plc	**1,085**	593	**-**	-
Nigerian Aviation Handling Company (NAHCO) Plc	**11**	11	**-**	-
Central Securities Clearing System	**-**	25,025	**-**	-
Industrial and General Insurance Plc	**3,811**	3,267	**-**	-
Standard Alliance Co Plc	**714,350**	714,350	**-**	-
	756,534	780,523	**-**	-

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
(d) Unquoted equity securities measured at FVTPL				
Credit Reference Company Limited	**61,111**	61,111	**-**	-
Nigeria Inter-bank Settlement System Plc	**1,196,090**	102,970	**-**	-
Africa Finance Corporation	**7,346,826**	2,558,388	**-**	-
Private Equity Funds	**117,969**	1,572,923	**117,969**	1,572,923
Africa Export-Import Bank, Cairo	**999,285**	144,805	**-**	-
Smartcard Nigeria Plc	**22,804**	22,804	**-**	-
FMDQ (OTC) Plc	**30,000**	30,000	**-**	-
Financial Derivative Ltd	**10,000**	10,000		
Food Concepts Limited	**1,860**	1,890		
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	**18,595**	18,595	**-**	-
	9,804,540	4,523,486	**117,969**	1,572,923

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
26 Assets pledged as collateral				
The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:				
Investment Securities - FVTPL				
Treasury Bills - listed	**-**	2,442,100	**-**	-
	-	2,442,100	**-**	-
Investment Securities - Amortized cost				
Federal Government of Nigeria (FGN) Bonds - listed	**62,950,782**	58,888,057	**-**	-
	62,950,782	58,888,057	**-**	-
	62,950,782	61,330,157	**-**	-
Current	**8,216,654**	9,248,101	**-**	-
Non-current	**54,734,128**	52,082,056	**-**	-
	62,950,782	61,330,157	**-**	-

In thousands of Naira

Notes to the consolidated and separate financial statements

27 Investment in Subsidiaries

(a) Investment in subsidiaries comprises:

	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
First City Monument Bank Limited (see note (i) below)	-	-	**115,422,326**	115,422,326
FCMB Capital Markets Limited (see note (ii) below)	-	-	**240,000**	240,000
CSL Stockbrokers Limited (CSLS) (see note (iii) below)	-	-	**3,053,777**	3,053,777
CSL Trustees Limited (see note (iv) below)	-	-	**220,000**	220,000
FCMB Microfinance Bank Limited (see note (v) below)	-	-	**100,000**	100,000
Legacy Pensions Managers Limited (see note (vi) below)	-	-	**7,353,930**	7,353,930
	-	-	**126,390,033**	126,390,033
Specific allowances for impairment	-	-	**(795,331)**	(795,331)
Carrying amount	-	-	**125,594,702**	125,594,702
Current	-	-	-	-
Non-current	-	-	**125,594,702**	125,594,702
	-	-	**125,594,702**	125,594,702

	GROUP		COMPANY	
	30 JUN 2018	**31 DEC 2017**	**30 JUN 2018**	**31 DEC 2017**
Specific allowances for impairment				
Balance at 1 January	-	-	**795,331**	795,331
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 (i) below)	Nigeria	Banking	100%	31-December
(2) FCMB Capital Markets Limited (see Note (ii) below)	Nigeria	Capital Market	100%	31-December
(3) CSL Stockbrokers Limited (CSLS) (see Note (iii) below)	Nigeria	Stockbroking	100%	31-December
(4) CSL Trustees Limited (see Note (iv) below)	Nigeria	Trusteeship	100%	31-December
(5) FCMB Microfinance Bank Limited (see Note (v) below)	Nigeria	Micro-lending	100%	31-December
(6) Legacy Pensions Manager Limited (see Note (vi) below)	Nigeria	Pension Fund Administrator	88.22%	31-December

(i) 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.

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

(iii) 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.

(iv) This represents the cost of the Company's 100% equity holding in CSL Trustees Limited. The Company was incorporated in November 24, 2010. The company invested additional N180m in CSL Trustees Limiited in September 2015 in order to recapitalise the business in line with the new SEC minimum capitalisation policy of N300m for trustee businesses in Nigeria.

(v) 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.

(vi) This represents the Company's 88.22% equity 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. Legacy Pension Managers Limited was a former associate company to the Group by virtue of the Group's initial 28.22% equity holding. However, the Group acquired additional 60% equity holding in November 2017 thereby raising the total equity holding to 88.22%.

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

Notes to the consolidated and separate financial statements

28 Property and equipment

GROUP

In thousands of Naira	Leasehold land	Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost								
Balance at 1 January 2018	2,831,882	21,148,997	5,806,477	5,071,733	22,865,249	8,875,453	2,404,971	69,004,762
Additions during the period	-	42,810	1,369,655	90,242	1,066,021	542	1,250,928	3,820,198
Disposal during the period	-	-	-	(36,720)	(20,100)	(90,868)	(1,350,029)	(1,497,717)
Translation difference	-	-	2,751	571	1,958	98	-	5,378
Balance at reporting date	**2,831,882**	**21,191,807**	**7,178,883**	**5,125,826**	**23,913,128**	**8,785,225**	**2,305,870**	**71,332,621**
Accumulated depreciation								
Balance at 1 January 2018	-	3,264,455	3,836,431	4,000,582	16,061,884	8,439,237	-	35,602,589
Charge for the year (see note 16)	-	251,986	89,755	283,801	1,322,551	134,817	-	2,082,910
Eliminated on Disposal	-	-	(96,099)	(394,930)	(92,923)	(209,990)	-	(793,942)
Translation difference	-	-	2,400	567	4,469	234	-	7,670
Balance at reporting date	-	3,516,441	3,832,487	3,890,020	17,295,981	8,364,298	-	36,899,227
Carrying amounts:								
Balance at 30 June 2018	2,831,882	17,675,366	3,346,396	1,235,806	6,617,147	420,927	2,305,870	34,433,394
Balance at 31 December 2017	2,831,882	17,884,542	1,970,046	1,071,151	6,803,365	436,216	2,404,971	33,402,173

(i) In 2017, the Group reviewed the estimated useful life of its leasehold land as unlimited on the basis that it is reasonably certain that the lessors (state governments), will renew the lease upon expiration and that the substance of the lease is that the Group has ownership of the land, not a right to use the land for a predefined period. Consequently, the Group has discontinued depreciation of the leasehold land.

(ii) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (31 December 2017: nil).

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

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

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

(vi) There were no impairment losses on any class of property and equipment during the period (31 December 2017: nil).

COMPANY

In thousands of Naira	Leasehold land	Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost								
Balance at 1 January 2018	-	-	5,181	69,448	14,011	3,335	-	91,975
Additions during the period	-	-	-	-	538	1,524	-	2,062
Disposal during the period	-	-	-	-	-	(307)	-	(307)
Balance at reporting date	-	-	5,181	69,448	14,549	4,552	-	93,730
Accumulated depreciation								
Balance at 1 January 2018	-	-	2,195	41,239	7,941	2,578	-	53,953
Charge for the year (see note 16)	-	-	259	8,681	1,254	291	-	10,485
Eliminated on Disposal	-	-	-	-	-	(322)	-	(322)
Balance at reporting date	-	-	2,454	49,920	9,195	2,547	-	64,116
Carrying amounts:								
Balance at 30 June 2018	-	-	2,727	19,528	5,354	2,005	-	29,614
Balance at 31 December 2017	-	-	2,986	28,209	6,070	757	-	38,022

(i) In 2017, the Group reviewed the estimated useful life of its leasehold land as unlimited on the basis that it is reasonably certain that the lessors (state governments), will renew the lease upon expiration and that the substance of the lease is that the Group has ownership of the land, not a right to use the land for a predefined period. Consequently, the Group has discontinued depreciation of the leasehold land.

(ii) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (31 December 2017: nil).

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

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

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

(vi) There were no impairment losses on any class of property and equipment during the period (31 December 2017: nil).

Notes to the consolidated and separate financial statements

	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
29 Intangible assets				
(a) **Software**				
Cost				
Beginning of the period	**8,284,068**	6,940,083	**3,851**	3,851
Additions during the period / year	**476,264**	329,067	**-**	-
Work-in-progress - additions during the period / year	**68,856**	1,091,969	**-**	-
Items written-off	**-**	(110,617)	**-**	-
Transfer from property and equipment (see note 29)	**-**	13,376	**-**	-
Translation difference for the period / year	**20,190**	20,190	**-**	-
Balance at reporting date	**8,849,378**	8,284,068	**3,851**	3,851
Amortisation				
Beginning of the year	**4,702,085**	3,467,292	**3,851**	3,851
Charge for the period / year (see note 16)	**630,743**	1,133,244	**-**	-
Translation difference for the period / year	**(103,242)**	101,549	**-**	-
Balance at reporting date	**5,229,586**	4,702,085	**3,851**	3,851
Carrying amount	**3,619,792**	3,581,983	**-**	-
(b) **Goodwill**				
Beginning of the period / year	**11,338,977**	6,199,739	**-**	-
Acquired during the preceding year	**-**	5,139,238	**-**	-
At end of the reporting date	**11,338,977**	11,338,977	**-**	-
	14,958,769	14,920,960	**-**	-
Current	**-**	-	**-**	-
Non-current	**14,958,769**	14,920,960	**-**	-
	14,958,769	14,920,960	**-**	-

(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 losses were recognised during the period (2017: nil) because the recoverable amounts of these CGU's were determined to be higher than the carrying amount by N119.37 billion.

The recoverable amount for the Group's CGUs is calculated based on the value in use, determined by discounting the future cash flows expected to be generated from the continuing use of the CGU. The key assumptions used in the calculation of value in use were as follows:

	Legacy Pension Limited		CSL Stockbrokers Limited		FCMB Limited	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Discount rate (see note (d))	26.50%	26.50%	26.50%	26.50%	16.16%	16.16%
Terminal growth rate	4.50%	4.50%	3.00%	3.00%	3.93%	3.93%
Forecast profit before taxes (average of next three years)	N4.039billion	N4.039billion	N1.392billion	N1.392billion	N19.03billion	N19.03billion

(d) The discount rate was a pre-tax measure based on the rate of the Bank's year 2020 Naira bond issued in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect the systematic risk of the specific CGU.

Three years of cash flows were included in the discounted cash flow model. The terminal growth rate was derived from the average GDP growth rate of Nigeria from 1982 until 2017.

Forecast profit before taxes was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past four years and the estimated growth for the next three years.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount.

(e) There were no capitalised borrowing costs related to any acquisition or internal development of software during the year (31 December 2017: nil)

In thousands of Naira

30 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 2018	Liabilities 30 JUN 2018	Net 30 JUN 2018	Assets 31 DEC 2017	Liabilities 31 DEC 2017	Net 31 DEC 2017
Property and equipment	1,072,312	-	1,072,312	1,091,642	-	1,091,642
Defined benefits	-	-	-	(33,936)	-	(33,936)
Allowances for loan losses	2,639,942	(106,821)	2,533,121	2,220,251	(106,821)	2,113,430
Unrelieved loss carried forward	4,521,309	-	4,521,309	4,955,607	-	4,955,607
Net tax assets/ (liabilities)	8,233,563	(106,821)	8,126,742	8,233,563	(106,821)	8,126,743

	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
Deferred tax assets				
Current	**-**	-	**-**	-
Non-current	**8,233,563**	8,233,563	**-**	-
	8,233,563	8,233,563	**-**	-
Deferred tax liabilities				
Current	**-**	-	**-**	-
Non-current	**106,821**	106,821	**-**	-
	106,821	106,821	**-**	-

Notes to the consolidated and separate financial statements

(b) **Movements in temporary differences during the period ended 30 June 2018**

	GROUP			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 30 June 2018
Property and equipment	1,072,312	-	-	1,072,312
Allowances for loan losses	2,639,942	-	(106,821)	2,533,121
Unrelieved loss carried forward	4,521,309	-	-	4,521,309
	8,233,563	-	-	8,126,742

Movements in temporary differences during the year ended 31 December 2017

	GROUP			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 31 December 2017
Property and equipment	1,091,642	-	-	1,091,642
Defined benefits	(33,936)	-	-	(33,936)
Allowances for loan losses	2,327,073	(106,822)	-	2,220,251
Unrelieved loss carried forward	4,521,309	434,298	-	4,955,607
	7,906,088	327,476	-	8,233,564

Non recognition of additional deferred tax assets for the period (2017: 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.

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
31 Other assets				
(a) **Other financial assets:**				
E-settlement receivables	**17,365,469**	16,907,651	**-**	-
Margin call receivables	**-**	3,812,632	**-**	-
Agric SMEIS receivables	**890,922**	552,232	**-**	-
Related parties receivables	**513**	1,635,903	**-**	-
Insurance claims and fraud receivables	**2,503,197**	1,519,875	**-**	-
Deposits with the Court (note (d) below)	**9,525,218**	9,149,072	**-**	-
Accounts receivable- corporate and state bonds	**545,482**	2,278,407	**-**	-
Accounts receivable- others	**3,221,818**	2,837,614	**166,568**	744,575
	34,052,619	38,693,386	**166,568**	744,575
Less specific allowances for impairment (note (c) below)	**(17,732,040)**	(16,349,277)	**-**	-
	16,320,579	22,344,109	**166,568**	744,575
(b) **Other non-financial assets:**				
Prepayments	**10,890,041**	4,625,840	**8,233**	4,000
Consumables	**387,698**	634,371	**-**	-
	11,277,739	5,260,211	**8,233**	4,000
	27,598,318	27,604,320	**174,801**	748,575
Current	**9,686,192**	15,121,577	**174,801**	748,575
Non-current	**17,912,126**	11,740,351	**-**	-
	27,598,318	26,861,928	**174,801**	748,575
(c) **Movement in impairment on other financial assets**				
At start of the year	**16,349,277**	15,328,849	**-**	-
Increase in impairment during the year (see note 10(b))	**1,457,554**	1,347,895	**-**	-
Translation difference	**8,235**	9,389	**-**	-
Amounts written off	**(83,026)**	(336,856)	**-**	-
At year end	**17,732,040**	16,349,277	**-**	-

(d) The amount represents deposits with the court in respect of an ongoing suit against the Banking subsidiary in United Kingdom as ordered by the court.

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
32 Deposits from banks				
Other deposits from banks	**34,900,281**	6,355,389	**-**	-
	34,900,281	6,355,389	**-**	-

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
33 Deposits from customers				
Term deposits	**233,816,075**	234,395,824	**-**	-
Current deposits	**315,125,012**	301,882,351	**-**	-
Savings	**172,345,307**	153,582,465	**-**	-
	721,286,394	689,860,640	**-**	-
	721,286,394	689,860,640	**-**	-

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

In thousands of Naira	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
34 Borrowings				
(a) Borrowings comprise:				
Standard Bank, London	**11,683,257**	16,696,274	**-**	-
International Finance Corporation (IFC)	**-**	557,004	**-**	-
International Finance Corporation (IFC)	**-**	1,389,616	**-**	-
International Finance Corporation (IFC)	**6,467,625**	8,332,563	**-**	-
International Finance Corporation (IFC)	**4,850,719**	6,248,897	**-**	-
Netherlands Development Finance Company (FMO)	**3,832,667**	4,610,278	**-**	-
Netherlands Development Finance Company (FMO)	**3,832,667**	4,610,278	**-**	-
European Investment Bank (EIB)	**11,340,765**	10,907,316	**-**	-
Citibank, N.A (OPIC)	**8,623,500**	11,626,781	**-**	-
African Export-Import Bank (Afrexim)	**24,912,333**	27,667,720	**-**	-
Financial Derivatives Company Limited	**-**	101,085	**-**	-
First City Asset Management (FCAM)	**6,434,592**	5,785,285	**-**	-
Micheal Ojo	**778,369**	726,759	**-**	-
British Commercial Bank	**3,329,089**	-	**-**	-
British Commercial Bank	**1,672,030**	-	**-**	-
British Commercial Bank	**3,275,998**	3,413,748	**-**	-
British Commercial Bank	**3,277,180**	3,395,643	**-**	-
British Commercial Bank	**3,283,866**	3,365,723	**-**	-
	97,594,656	109,434,970	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
35	**On-lending facilities (see note (a) below)**				
	Bank of industry (BOI)	**36,068,428**	25,041,640	**-**	-
	Commercial Agriculture Credit Scheme (CACS)	**5,274,089**	5,274,089	**-**	-
	Micro, Small and Medium Enterprises Development Fund (MSMEDF)	**12,218,587**	12,218,587	**-**	-
		53,561,104	42,534,316	**-**	-

(a) On-lending facilities represents government intervention funds granted by Nigeria government financial institutions, Bank of Industry (BOI) and Central Bank of Nigeria under manufacturing, agriculture, power, small and medium scale companies sectors and Commercial Agriculture Credit Scheme (CACS) respectively for on-lending to the Banking subsidiary's qualified customers. These facilities are given to the Banking subsidiary at low interest rates, between 0% - 10%, for on-lending at a low rate specified under the schemes. However, the Banking subsidiary bears the credit risk for these facilities.

The onlending facilities granted at below the market rate were measured at fair value on initial recognition and subsequently at amortised cost. The fair value gain on initial recognition was recognised in the profit or loss.

In thousands of Naira		GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
36	**Debt securities issued**				
	Debt securities at amortised cost:				
	Bond issued (see note (a) below)	**54,781,042**	54,691,520	**-**	-
		54,781,042	54,691,520	**-**	-

(a) The amount of N54.78billion (31 December 2017: N54.69billion) represents the amortised cost of unsecured corporate bonds issued at par in different tranches. The coupon is paid semi-annually. See the table below for the tranches and their terms:

Tranche	Face value (N'billion)	Carrying amount (N'billion) 30 Jun 2018	Carrying amount (N'billion) 31 Dec 2017	Coupon rate	Issued date	Maturity date
Tranche 1 - N26 billion, 7years	26.00	26.31	26.12	14.25%	07-Nov-2014	19-Nov-2021
Tranche 2 - N23.185 billion, 5years	23.19	23.22	23.42	15.00%	06-Nov-2015	06-Nov-2020
Tranche 3 - N5.104billion, 7years	5.10	5.25	5.15	17.25%	09-Dec-2016	08-Dec-2023
Total	**54.29**	**54.78**	**54.69**			

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 2018.

37 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. The Group has complied with the Pension Reform Act 2014 and up to date payment of the reviewed employer contribution of 10% remitted while employees' contribution remains at 8%.

Total contributions to the scheme for the year were as follows:	GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
Balance at start of year	**70,364**	17,603	**-**	-
Charged to profit or loss (see note 15)	**311,285**	511,685	**4,186**	4,576
Employee contribution	**156,964**	604,944	**3,349**	3,661
Total amounts remitted	**(389,440)**	(1,063,868)	**(7,535)**	(8,237)
At reporting date	**149,173**	70,364	**-**	-

In thousands of Naira		GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
38	**Provision**				
	Legal Claims	**4,574,100**	3,576,634	**-**	-
	Staff Benefits	**660,866**	1,172,255	**400,000.00**	-
	Financial Guarantees	**713,777**	-	**-**	-
	Others	**211,843**	473,582	**303,630**	303,630
		6,160,586	5,222,471	**703,630**	303,630

Legal claims: This represents provision reserved for pending probable legal cases that may crystallize.
Staff Benefits: The Group makes provision for staff medical expenses, subscriptions and Stock grant (Cash -settled).
Financial guarantees: The Group makes provisions for contingent financial guarantees in line with IFRS 9 provisions.

		GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
39	**Other liabilities**				
(a)	Other financial liabilities:				
	Customers' deposit for letters of credit (see note 21(b))	**22,506,822**	16,780,583	**-**	-
	Bank cheques/drafts	**4,644,290**	3,762,656	**-**	-
	Negotiated letters of credits	**8,178,390**	18,850,277	**-**	-
	E-settlement payables	**13,762,788**	9,180,757	**-**	-
	Withholding tax and value added tax payables	**1,021,883**	733,579	**15,358**	-
	Unclaimed items	**5,467,945**	4,902,240	**-**	-
	Accounts payable - others	**10,392,558**	6,177,897	**47,589**	647,045
	Accounts payable - unclaimed dividend	**685,657**	685,657	**685,657**	685,657
	Proceeds from public offers	**74,571.00**	74,786	**-**	-
		66,734,904	61,148,432	**748,604**	1,332,702
(b)	Other non-financial liabilities:				
	Deferred income	**377,805**	341,005	**-**	-
	Accrued expenses	**2,387,670**	1,968,774	**254,274**	295,961
		2,765,475	2,309,779	**254,274**	295,961
		69,500,379	63,458,211	**1,002,878**	1,628,663

In thousands of Naira		GROUP 30 JUN 2018	GROUP 31 DEC 2017	COMPANY 30 JUN 2018	COMPANY 31 DEC 2017
40	**Share capital**				
(a)	**Authorised**				
	30billion ordinary shares of 50k each (2017: 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 (2017: 19.8billion)	**9,901,355**	9,901,355	**9,901,355**	9,901,355

Notes to the consolidated and separate financial statements

41 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. The Banking subsidiary transferred 15% of its 'profit after tax to statutory reserves as at period end (31 December 2017: 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. In the CBN Circular dated 5 April 2017, all DMBs are required to set aside and remit 5% of the annual profit after tax for equity investments.

(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 incurred loss 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) **Foreign currency translation reserve (FCTR)**: Records exchange movements on the Group's net investment in foreign subsidiaries.

(i) **Actuarial gains and losses reserve**: This reserve shows the changes in the present value of defined benefits obligation resulting from experiences adjustments and changes in actuarial assumptions.

42 Non-controlling Interest (NCI)

Disclosure of NCI in the Group's subsidiary

The following table summarises the information relating to the Group's subsidiary, Legacy Pension Managers Limited

	COMPANY	
	30 JUN 2018	31 Dec 2017
NCI Percentage	11.78%	11.78%
Total Assets	3,766,236	3,857,317
Total Liabilities	738,953	781,761
Net Assets	3,027,283	3,075,556
Adjustment to Net Assets	640,290	-
Adjusted Net Assets	3,667,573	3,075,556
Net assets attributable to NCI	431,927	362,206
Movement in NCI		
Opening balance	362,206	-
Addition due to acquisition of Legacy Pension Managers Limited	-	352,542
Share of post acquisition profit	69,722	8,918
Share of other comprehensive income	-	746
Total NCI at period/year end	431,927	362,206

43 Contingencies

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts. Other contingent liabilities include transaction related customs and performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed year, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers. The following tables summarise the nominal principal amount of contingent liabilities and commitments with contingent risk.

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

	GROUP		COMPANY	
In thousands of Naira	30 JUN 2018	31 DEC 2017	30 JUN 2018	31 DEC 2017
Performance bonds and guarantees	**129,393,403**	98,409,992	-	-
Clean line letters of credit	**80,280,329**	66,404,271	-	-
	209,673,732	164,814,263	-	-
Other commitments	**112,685**	86,977	-	-
	209,786,417	164,901,240	-	-

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

Notes to the consolidated and separate financial statements

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 45 (b) below.

(b) **Subsidiaries:**

Transactions between FCMB Group Plc and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 30 June 2018 are shown below.

Entity	Form of holding	Effective holding	Nominal share capital held N'000	Country of incorporation	Nature of Business
(1) First City Monument Bank Limited	Direct	100.00%	115,422,326	Nigeria	Banking
(2) FCMB Capital Markets Limited	Direct	100.00%	240,000	Nigeria	Capital Market
(3) CSL Stockbrokers Limited (CSLS)	Direct	100.00%	3,053,777	Nigeria	Stockbroking
(4) CSL Trustees Limited (CSLT)	Direct	100.00%	220,000	Nigeria	Trusteeship
(5) FCMB Microfinance Bank Limited	Direct	100.00%	100,000	Nigeria	Micro-lending
(6) Legacy Pension Managers Limited	Direct	88.22%	7,353,930	Nigeria	Pension Fund Manager
(7) Credit Direct Limited (CDL)	Indirect	100.00%	366,210	Nigeria	Micro-lending
(8) FCMB (UK) Limited (FCMB UK)	Indirect	100.00%	7,791,147	United Kingdom	Banking
(9) First City Asset Management Limited (FCAM)	Indirect	100.00%	50,000	Nigeria	Asset Management
(10) FCMB Financing SPV Plc.	Indirect	100.00%	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 its banking subsidiaries operate. The carrying amounts of banking subsidiaries' assets and liabilities are N1,224.94billion and N1,056.24billion 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 2018 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	LEGACY PENSIONS	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Interest and discount income	218,181	63,686,033	59,592	271,587	38,418	36,662	77,572	64,388,045	(77,959)	64,310,086
Interest expense	-	(29,117,957)	-	-	-	(911)	-	(29,118,868)	77,959	(29,040,909)
Net interest income	**218,181**	**34,568,076**	**59,592**	**271,587**	**38,418**	**35,751**	**77,572**	**35,269,177**	**-**	**35,269,177**
Other income	1,133,515	13,081,542	111,031	651,394	100,320	10,394	1,599,680	16,687,876	(150,743)	16,537,133
Operating income	**1,351,696**	**47,649,618**	**170,623**	**922,981**	**138,738**	**46,145**	**1,677,252**	**51,957,053**	**(150,743)**	**51,806,310**
Operating expenses	(537,151)	(35,181,813)	(245,972)	(505,187)	(55,361)	(41,929)	(831,732)	(37,399,145)	30,611	(37,368,534)
Provision expense	-	(7,361,399)	30,008	-	-	(1,566)	-	(7,332,957)	-	(7,332,957)
Profit /(loss) before tax	**814,545**	**5,106,406**	**(45,341)**	**417,794**	**83,377**	**2,650**	**845,520**	**7,224,951**	**(120,132)**	**7,104,819**
Income tax expense	-	(967,624)	-	(132,909)	(23,957)	(687)	(253,656)	(1,378,833)	-	(1,378,833)
Profit /(loss) after tax	**814,545**	**4,138,782**	**(45,341)**	**284,885**	**59,420**	**1,963**	**591,864**	**5,846,118**	(120,132)	**5,725,986**
Other comprehensive income	-	(461,078)	-	515	-	-	-	(460,563)	-	(460,563)
Total comprehensive income for the period	**814,545**	**3,677,704**	**(45,341)**	**285,400**	**59,420**	**1,963**	**591,864**	**5,385,555**	**(120,132)**	**5,265,423**

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	LEGACY PENSIONS	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Assets										
Cash and cash equivalents	651,344	134,916,981	197,446	1,893,908	2,232,276	37,471	243,192	140,172,618	(3,832,474)	136,340,144
Restricted reserve deposits	-	128,095,548	-	-	-	-	-	128,095,548	-	128,095,548
Trading assets	-	26,474,119	-	1,991,439	-	-	-	28,465,558	-	28,465,558
Loans and advances to customers	-	585,425,006	88,806	200,972	12,041	184,548	71,075	585,982,448	-	585,982,448
Assets pledged as collateral	-	62,950,782	-	-	-	-	-	62,950,782	-	62,950,782
Investment securities	3,790,073	197,248,407	804,744	196,763	857,427	6,500	987,146	203,891,060	(2,365,385)	201,525,675
Investment in subsidiaries	125,594,702	-	-	-	-	-	-	125,594,702	(125,594,702)	-
Property and equipment	29,614	32,435,634	15,482	41,539	26,288	10,001	1,874,836	34,433,394	-	34,433,394
Intangible assets	-	9,556,156	-	16,508	3,150	-	37,841	9,613,655	5,345,114	14,958,769
Deferred tax assets	-	8,233,563	-	-	-	-	-	8,233,563	-	8,233,563
Other assets	174,801	26,321,891	282,147	301,975	108,524	9,545	552,146	27,751,029	(152,711)	27,598,318
	130,240,534	**1,211,658,087**	**1,388,625**	**4,643,104**	**3,239,706**	**248,065**	**3,766,236**	**1,355,184,357**	**(126,600,158)**	**1,228,584,199**
Financed by:										
Trading liabilities	-	9,682,334	-	-	-	-	-	9,682,334	-	9,682,334
Deposits from banks	-	34,900,281	-	-	-	-	-	34,900,281	-	34,900,281
Deposits from customers	-	725,038,206	-	-	-	80,663	-	725,118,869	(3,832,475)	721,286,394
Borrowings	-	97,594,656	-	-	-	-	-	97,594,656	-	97,594,656
On-lending facilities	-	53,561,104	-	-	-	-	-	53,561,104	-	53,561,104
Debt securities issued	-	57,223,753	-	-	-	-	-	57,223,753	(2,442,711)	54,781,042
Retirement benefit obligations	-	87,735	-	-	-	-	61,438	149,173	-	149,173
Current income tax liabilities	55,155	3,299,279	47,948	132,279	21,418	687	290,721	3,847,487	-	3,847,487
Deferred tax liabilities	-	-	-	30,130	600	-	76,091	106,821.00	-	106,821.00
Provision	703,630	5,445,809	3,504	-	6,103	1,540	-	6,160,586	-	6,160,586
Other liabilities	1,002,878	63,920,592	169,656	1,426,702	2,749,188	73,374	310,703	69,653,093	(152,714)	69,500,379
Share capital	9,901,355	2,000,000	500,000	943,577	50,000	100,000	800,000	14,294,932	(4,393,577)	9,901,355
Share premium	115,392,414	100,846,690	-	1,733,250	170,000	-	404,142	218,546,496	(103,154,082)	115,392,414
Retained earnings	3,185,102	20,427,260	667,517	378,195	242,397	(8,199)	1,312,909	26,205,181	(7,501,063)	18,704,117
Other reserves	-	37,630,388	-	(1,029)	-	-	510,232	38,139,591	(5,555,463)	32,584,128
Non-controlling Interest	-	-	-	-	-	-	-	-	431,927	431,927
	130,240,534	**1,211,658,087**	**1,388,625**	**4,643,104**	**3,239,706**	**248,065**	**3,766,236**	**1,355,184,357**	**(126,600,158)**	**1,228,584,199**
Acceptances and guarantees	**-**	**209,786,417**	**-**	**-**			**-**	**209,786,417**	**-**	**209,786,417**

Notes to the consolidated and separate financial statements

CONDENSED FINANCIAL INFORMATION

(ii) 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	LEGACY PENSIONS	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**
Tax	-	(715,706)	-	(58,295)	(31,370)	-	-	(805,371) -	0.46	(805,371)
Profit / (loss) 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**

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	LEGACY PENSIONS	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
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
Property and equipment	48,534	32,117,671	27,320	21,425	4,677	7,655	-	32,227,282	-	32,227,282
Intangible assets	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**

Notes to the consolidated and separate financial statements

Financed by:										
Derivative liabilities held for risk management	-	-	-	-	-	-	-	700,840	-	700,840
Deposits from banks	-	76,312,878	-	-	-	-	-	6,205,027	-	6,205,027
Deposits from customers	-	640,580,957	-	-	-	14,016	-	704,191,958	(10,874,401)	693,317,557
Borrowings	-	112,728,931	-	-	-	-	-	128,066,868	-	128,066,868
On-lending facilities	-	51,360,927	-	-	-	-	-	43,388,087	-	43,388,087
Debt securities issued	-	62,123,979	-	-	-	-	-	113,261,934	(49,185,000)	64,076,934
Retirement benefit obligations	-	87,358	-	-	-	-	-	18,034	-	18,034
Current income tax liabilities	44,582	2,002,735	82,716	58,333	31,442	1,251	-	2,372,261	-	2,372,261
Other liabilities	1,316,542	56,478,018	224,817	1,063,143	2,303,310	51,825	-	63,052,265	-	63,052,265
Share capital	9,901,355	2,000,000	500,000	943,577	50,000	100,000	-	10,289,963	(8,289,963)	2,000,000
Share premium	115,392,414	100,846,690	-	1,733,250	170,000	-	-	100,846,691	-	100,846,691
Retained earnings	2,955,217	31,278,337	602,797	(420,417)	323,128	(10,360)	-	23,975,241	134,728	24,109,969
Other reserves	-	31,621,840	-	41,387	-	-	-	37,660,688	(2,372)	37,658,316
	129,610,110	**1,167,422,650**	**1,435,574**	**3,457,317**	**2,880,494**	**156,732**	**-**	**1,234,095,759**	**(68,282,910)**	**1,165,812,849**
Acceptances and guarantees	**-**	**135,106,164**	**-**	**-**	**-**	**-**	**-**	**135,106,164**	-	**135,106,164**

FCMB Group Plc. and Subsidiary Companies
Unaudited Interim Financial Statements

Notes to the consolidated and separate financial statements
for the period ended 30 June 2018

In thousands of Naira	**GROUP**		**COMPANY**	
	30 JUN 2018	**31 DEC 2017**	**30 JUN 2018**	**31 DEC 2017**
45 Cash and cash equivalents				
For the purposes of the statement of cash flow, cash and cash equivalents include cash and non-restricted balances with central banks, treasury bills maturing within three months, operating account balances with other banks, amounts due from other banks. Cash and cash equivalents comprise:				
Cash	**58,040,562**	27,454,048	**-**	-
Current balances within Nigeria	**1,999,674**	1,860,535	**136,431**	146,366
Current balances outside Nigeria	**47,681,638**	43,934,323	**-**	-
Placements with local banks	**5,106,331**	10,617,721	**514,913**	-
Placements with foreign banks	**7,420,751**	9,319,904	**-**	-
Unrestricted balances with Central banks	**16,091,188**	10,701,476	**-**	-
	136,340,144	103,888,007	**651,344**	146,366