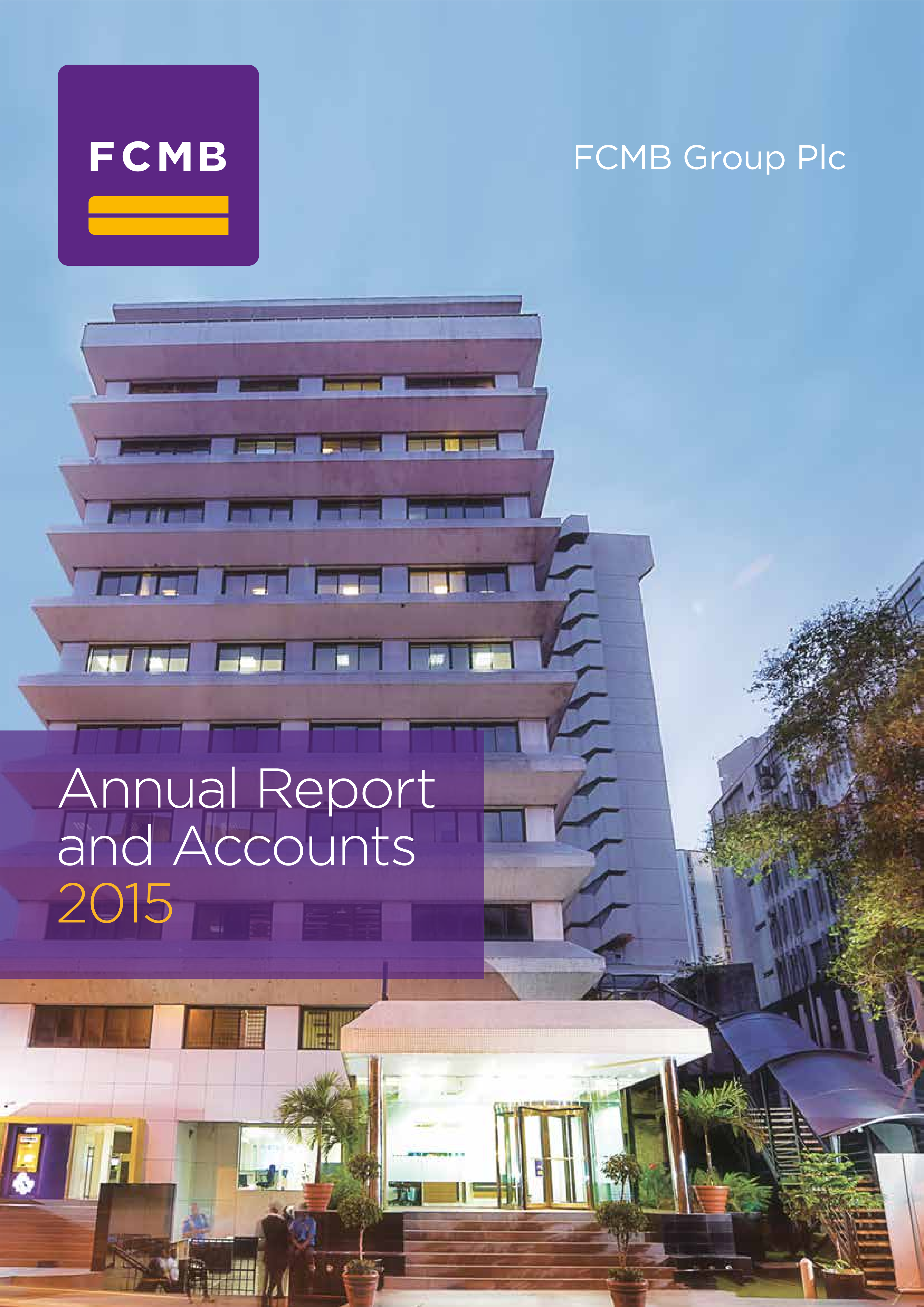
FCMB Group Plc

Annual Report and Accounts 2015



FCMB GROUP PLC

OUR VISION

To be the Premier Financial Services Group of African Origin.

OUR MISSION

To attain the highest levels of customer advocacy, be a great place to work and deliver superior and sustainable returns to our shareholders.

OUR CORE VALUES

- Professionalism
- Sustainability
- Customer focus
- Excellence

Annual Report and Accounts 2015

At FCMB, we place great value on being a responsible institution.

By creating a great place to work for our people, selling our products and services responsibly, effecting positive social outcomes and mitigating the environmental impact of our operations, we believe that we can make a greater positive contribution to our operating environment.

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Read more about our businesses at:
www.fcmbgroupplc.com

INTRODUCTION

About FCMB Group Plc

FCMB Group Plc

FCMB Group Plc's vision is to be the premier financial services group of African origin. Leadership, for us, is defined by the value of our franchise and the customer experience we deliver. At the centre of our organisation lies a talented workforce, focused on providing comprehensive, yet simple and reliable, services to customers. Our business activities include commercial and retail banking, investment banking, brokerage, wealth management and trustee services.

FCMB Group Plc is listed on the Nigerian Stock Exchange (NSE) with the ticker symbol 'FCMB' and has 19,802,710,781 ordinary shares held by over 522,000 shareholders as at 31 December 2015.

FCMB Group Plc and its subsidiaries (the Group) each function as separate and distinct operating companies with separate Boards of Directors and executives.

History

FCMB Group Plc's roots date back to 1977, with the formation of City Securities Limited (CSL), a stockbroking and issuing house and registrar business. CSL rapidly climbed the league of issuing houses and brokers between 1977 and 1982, handling the listings and initial public offers of many of the leading blue-chip companies on the Nigerian Stock Exchange (NSE).

First City Merchant Bank Limited was established in 1982 with seed capital from the success of CSL. It began operations as a licensed deposit taker and merchant bank on 11 August 1983, assuming the corporate finance and issuing house activities of CSL and becoming the first Nigerian merchant bank to be established without government or international support. First City Merchant Bank Limited soon became a leading merchant bank in Nigeria, as measured by profitability, and, in 2000, the first and only merchant bank to achieve ₦1 billion profit.

With the advent of universal banking in 2001, First City Merchant Bank Limited converted into a universal bank. It changed its name to First City Monument Bank Limited and commenced commercial banking activities; its corporate finance activities were spun off into a new Subsidiary, FCMB Capital Markets Limited. In 2004, the Bank changed status from a private limited liability company to a public limited liability company, and was listed on the NSE in December of that year.

In 2010, the Central Bank of Nigeria (CBN) issued Regulation 3 (Scope of Banking Activities and Ancillary Matters, No. 3, 2010), which required banks to divest their non-banking businesses or retain them under a CBN-approved financial group structure. In response, FCMB Plc developed a group restructuring plan (Compliance Plan) and secured the CBN's approval of the plan in December 2011.

As a result of this reorganisation, the newly created FCMB Group Plc became the holding company, with First City Monument Bank Plc (FCMB Plc), CSL Stockbrokers Limited (CSLS) and FCMB Capital Markets Limited (FCMB-CM) as direct subsidiaries. Shareholders of FCMB Plc were also migrated to FCMB Group Plc via a one-for-one share exchange between FCMB Group Plc and FCMB Plc.

FCMB Plc, the Bank, was thereafter re-registered as a limited liability company, becoming First City Monument Bank Limited (FCMB Limited). In 2014, CSL Trustees Limited also became a direct subsidiary of FCMB Group Plc.

Subsidiaries of FCMB Group Plc

FCMB Group Plc's subsidiaries are leaders in their respective markets and they provide significant cross-sell synergies and earnings diversification for the Group.

About FCMB Group Plc

Continued

First City Monument Bank Limited (The Bank)
(100% Beneficial Ownership)

The Bank, the flagship of the Group, employs over 2,940 full-time staff, and has over 3 million customers and 225 branches distributed across every state of the Federal Republic of Nigeria. The Bank is a top 10 lender in Nigeria and a parent company to two subsidiaries, FCMB Bank (UK) Limited and Credit Direct Limited (CDL). CDL is the leading micro-lender in Nigeria and provided financial support to 180,000 borrowers, amounting to over ₦22 billion, in 2015.

FCMB Capital Markets Limited
(100% Beneficial Ownership)

FCMB Capital Markets Limited is licensed by the Securities and Exchange Commission of Nigeria (SEC) as an issuing house and financial advisor.

FCMB Capital Markets Limited specialises in project and structured finance, equity and debt capital raising, M&A advice, and other financial advisory services to top-tier corporate entities. FCMB Capital Markets remains a market leader in its field.

CSL Stockbrokers Limited
(100% Beneficial Ownership)

CSL Stockbrokers (CSLS), licensed by the SEC, is a leading stockbroking and investment management firm in Nigeria. Its equity and macroeconomic research is recognised internationally and the firm executes a significant share of the international portfolio trades on the NSE.

CSLS is positioning itself to be the leading conduit for portfolio investment into Sub-Saharan Africa. CSLS's subsidiary, First City Asset Management (FCAM) Limited, provides portfolio and fund management services to high net worth individuals and institutional clients. FCAM currently has assets of ₦12.4 billion under management.

CSL Trustees Limited
(100% Beneficial Ownership)

CSL Trustees Limited (CSLT), a SEC-licensed company, partners with clients to ensure fund assets are kept securely and serviced properly, in the interest of beneficiaries. CSLT's expanded trustee services include debenture trustee, security trustee, facility agent, escrow agent, management of private trusts, employee stock ownership plans and employee welfare trustee.

The Company's technical specialisation, individualised client focus, national coverage (enabled by FCMB Limited's distribution network), responsiveness and monitoring programmes have enabled it to become one of the fastest growing trustees in the country. CSLT is increasingly the choice of trustee for lenders, borrowers and investors.

More information can be found at:
www.fcmbgroupplc.com

FCMB Group Plc, First City Plaza, 44 Marina, Lagos, Nigeria.

Tel: +234 (0) 1 279 8800 or
+234 (0) 700 3262 69 2265

For further information about the performance of our subsidiary businesses, please see pages 17–22.

From the Archives of the Founder

Otunba Michael O. Balogun, CON
Founder

"Our Retail transformation strategy is definitely showing the desired results"

In this season of macro-economic dysfunction in the Nigerian business environment, one quality that has sustained us is our "resilience" in maintaining our "Culture of Excellence". I hardly need to tell my readers about the gravity of the economic problems which have hit the banking, and indeed the general business environment in Nigeria. It has been generally tough but in spite of it all, FCMB propelled by a diligent, competent and resourceful management team continues to give us an assurance that we are on the right track and even though we still have a long haul, I am confident that all the indications are that our strategies are the correct ones.

We have had our own share of bad loans, particularly within the Oil and Gas Sector. We continue to take remedial measures that will surely lead us to a bright light at the end of the tunnel. Just as we have been able to tackle successfully the recalcitrant names and even engaged AMCON where it is necessary, we are confident that our strategies will lead us to a robust future for our Bank. We have also been able to review our strategies by concentrating more on the retail end of the banking business, and we are already showing good results. Even then, in spite of the challenging environment, we have not abandoned the other areas of banking in which we have competence. We are deleveraging and right-sizing our wholesale banking business, to make it more capital efficient. We are also reviewing our investment banking and capital market activities to ensure they continue to contribute both strategically, as a source of differentiation, and financially, to FCMB Group.

Our resilience and our Culture of Excellence have made us to be an all-weather bank, and we are already showing good results in retail banking, which has provided an earnings buffer for the difficult year experienced in wholesale and investment banking. This is the observation of an interested onlooker. We have been able to use our group structure to diversify our route to success, and definitely we are certain that through the love of God all will be well.

From the Archives of the Founder

Continued

We started many years ago as an investment bank, concentrating on financial advisory services and wholesale banking. We gradually adapted ourselves to a robust retail franchise and using technology to excel in increasing our clientele, without abandoning our other franchises within our Group. We are on the right track, building a resilient and highly sustainable group, which should gladden the heart of an interested observer. Our brand awareness and relevance metrics are also showing robust results, so much so, that FCMB is on the lips of virtually everybody in the market. FCMB is no longer a bank just for corporate Nigeria. It is a bank for every Nigerian. We have grown our customer base to over 3.5 million customers and we have expanded our financing frontiers to micro-enterprises.

> *Our resilience and our Culture of Excellence have made us to be an all-weather bank, and we are already showing good results in all the areas we have competence.*
>
> **Otunba Michael O. Balogun**
> Founder

In spite of a 33% growth in customers in 2015, you will see that we have kept our costs almost flat. We have improved our efficiencies and we are reducing costs generally. We are using technology and other innovations to reach more customers. Our channel strategy has been remarkable and effective. We have succeeded in equipping ourselves with the desired efficiencies. We have addressed the shortcomings and we are optimistic about a robust future.

On this note, I would want to commend the current management team for their resourcefulness, their innovativeness and the courage with which they are leading us. The leadership has not only made us confident of the future, but their resourcefulness gives us a very bright visage about the future. In a time like this, the leadership is always the focus. I must say we have not been disappointed. From time to time, one hears from the clientele about their confidence in our leadership and management. God give us men and women such a time like this demands; and I on my own can assert that I am proud of our management team and staff, as well as their competences and courage.

Otunba Michael O. Balogun, CON
Founder

Chairman's Statement

Dr Jonathan A D Long
Chairman

Ladies and Gentlemen, Fellow Shareholders, it is once again my pleasure to welcome you to the third Annual General Meeting of FCMB Group Plc ('the Group'), to present the Group's annual results to you and, in particular, to thank you for your continued support throughout 2015. I am pleased to open these remarks by emphasising that although 2015 posed many challenges for the Group, it was again possible to continue the development of our core banking franchise and to do so profitably.

Structure of the Group

The Board of the Group has responsibility for monitoring the activities of First City Monument Bank Limited and those of the other Group companies under its ownership, which include FCMB Capital Markets Limited, CSL Stockbrokers Limited and CSL Trustees Limited. 2015 marked the second full year of their operations under the holding company structure, the Central Bank of Nigeria having granted an Other Financial Institutions Licence to the Group in May, 2013.

The structure of the Board was maintained during 2015. The Board of the Group therefore consisted of Mr Peter Obaseki, in the role of Managing Director, together with Mr Ladi Balogun, Alhaji Mustapha Damcida, Mr Olutola O Mobolurin, Mr Martin Dirks, Professor Oluwatoyin Ashiru, and Dr (Engr) Gregory O Ero as non-executive directors, and Mr Bismarck Rewane and Mr Olusegun Odubogun as non-executive independent directors, while I served as non-executive Chairman. The Board met on five occasions during 2015, with an attendance record of 86%.

Chairman's Statement

Continued

The roles of the Statutory Audit Committee, the Risk, Audit and Finance Committee, and the Governance and Remuneration Committee were of great importance to the Board in carrying out its duties. The Statutory Audit Committee consisted of thee shareholder representatives and three representatives of the Board. The shareholder representatives were Alhaji S B Daranijo, serving as Chairman, Alhaji B A Batula and Evangelist Akinola Soares; and the representatives of the Board were Mr Bismarck Rewane, Mr Olutola O Mobolurin and Mr Olusegun Odubogun. The Risk, Audit and Finance Committee consisted of Mr Bismarck Rewane, Mr Olusegun Odubogun, Dr (Engr) Gregory O Ero, Mr Ladi Balogun and Mr Martin Dirks. The Governance and Remuneration Committee consisted of Mr Olutola O Mobolurin, Alhaji Mustapha Damcida, Professor Oluwatoyin Ashiru, and Mr Ladi Balogun. Each of these three committees met four times during the year. The tireless work of these committees greatly supported the activities of the Board and ensured compliance with statutory and regulatory requirements.

Macroeconomic Environment

In 2015 Nigeria passed an important political milestone. On 1 April the Independent National Electoral Commission announced the result of the presidential election; Major General Muhammadu Buhari's All Progressives Congress had won the presidency from the incumbent Goodluck Jonathan of the People's Democratic Party. President Jonathan had already conceded defeat the previous day. This was the first democratic transfer of the presidency from one party to another in Nigeria's history. Market confidence was high. The equity market gained 17%, in Naira, from the beginning of the year until mid-April. The yield of a Nigerian sovereign US dollar bond, with a maturity in 2023, fell below 6.0%.

However, macroeconomic developments were not positive. The price of oil fell from an average of USD98.91 per barrel (of Brent) during 2014 to an average of USD52.31 per barrel during 2015. This led to a reduction in earnings of Nigerian oil exploration companies, while government revenues from oil were sharply reduced. The nation's current account, which usually records a surplus, turned negative during the fourth quarter of 2014, and remained negative throughout 2015. This in turn brought pressure on the exchange rate of the Naira.

Between the beginning of 2015 and mid-March, the US dollar value of the Naira fell by 7.9%. From mid-March the Central Bank of Nigeria enforced a policy of maintaining the exchange rate, using administrative measures it had already introduced, and adding several new regulations. The inter-bank foreign exchange rate, therefore, varied very little from ₦199.0/USD1.0 from mid-March until the end of the year. The parallel market rate, however, which reflected the decline in turnover in inter-bank foreign exchange, fell significantly. During December the Naira was reported to trade in the parallel market at an average of ₦260.5/USD1.0.

While the Nigerian economy continued to grow in 2015, the rate of growth, at 2.8% year-on-year, was much slower than the 6.2% achieved in 2014. During 2015 the rate of growth slowed, with the economy growing 2.1%, year-on-year, in the fourth quarter. The output of the oil sector fell by 5.5% in 2015 and manufacturing output generally fell by 1.5%, whereas in 2014 manufacturing output had risen by 14.7%. The average rate of inflation rose from 8.1% in 2014 to 9.0% in 2015. These changes in fortune may all be attributed, ultimately, to the fall in international oil prices.

Profits and Per Share Information

In my statement in the 2014 Annual Report and Accounts, I cautioned that, among other factors, the fall in oil prices and devaluation of the Naira presented clear challenges for 2015. Although these dangers became evident, I believe that it was thanks to the strength of the Group, its Board and Committee structure, as well as the dedication of many professionals and staff, that it was possible to report profits after tax in 2015 of ₦4.76 billion. Your Board has recommended a dividend of 10 kobo per share representing a dividend appropriation of ₦1.98 billion and a dividend payout ratio of 42% on profits after tax.

Chairman's Statement

Continued

Outlook

In 2016 Nigeria finds that the problems of 2015 have not gone away: oil prices remain low; government finances remain stretched; the consumer remains under pressure; manufacturing activity in general is facing very considerable difficulties. The government and the monetary authorities concur that there is no easy remedy and, in the absence of a rapid rise in oil prices, it is difficult to see how these multiple issues can be overcome.

The authorities have taken steps to encourage industrial activity, notably by putting downward pressure on market interest rates, such that the government's own one-year Naira-denominated bond yields less than 10.0%. The Real Sector Support Facility also aims to encourage lending to manufacturing and other businesses. Banks therefore are being given encouragement to continue making new loans to all businesses, whether large or small.

Nevertheless, the Group is likely to face significant headwinds. Some of the stresses experienced by consumers and companies during 2015 may yet be realised as losses in 2016. Further deterioration in business conditions cannot be ruled out, as well as continuing pressure on the exchange rate and a generally unfavourable global economic environment.

However, I am confident that, with the depth and range of professional excellence among its staff, and benefiting from its strong Board and Committee structure, the Group will deal successfully with the challenges of 2016 and continue to lay a path to future growth and prosperity.

Thank you very much for your attention.

Dr Jonathan A D Long
Chairman

Managing Director's Report

Peter Obaseki
Managing Director

Distinguished Shareholders, it gives me great pleasure to share with you the key dynamics of the financial sub-sectors in which we are invested and operate. The year 2015 was challenging and came with a lot of adjustments to new realities and a search for new normal in a number of areas. A new government at the Federal level was grappling to settle in and set a totally new tone around Accountability and Public Trust; the economic front was buffeted by a number of factors, especially adversely changed balance of payment and fiscal positions, largely due to the sharp drop in commodity prices, including crude oil. As a result of these fragilities, overall growth was retarded, with GDP down to 2.11% as at the end of December 2015.

The banking industry, in which our portfolio of investments is over-weighted, came under continued stress and slow overall total assets growth of 2.3%, to ₦28.1 trillion as at the end of December. The growths in various deposit captions were mixed, with an average decline of 5.8%; but the withdrawal of Federal Government funds from banks in furtherance of the Treasury Single Account implementation was noteworthy; deposits from this source, in local currency, dropped by 93% from ₦764.5 billion to ₦53.8 billion, the consequence of replacing this outflow was a drive-up in the cost of funding. Time deposits and savings accounts dropped by 4.8%, from ₦11.9 trillion to ₦11.4 trillion, as a result of continued backlog in salary payments, sluggish economic activities, retail foreign exchange hedging and a gradual build-up in inflation spiral. On the other hand, demand deposits, mainly business accounts, grew by 12.5%, moving to ₦5.9 trillion from ₦5.2 trillion; this trend reflects the long queue up for foreign exchange purchases for import, invisible transactions and portfolio remittances. Foreign currency deposits in domiciliary accounts came down by 15.1%, from ₦4.5 trillion to ₦3.9 trillion, explained by the Treasury Single Account process on the foreign currency component and pressures from the general foreign currency illiquidity. The growth in total loans and advances was muted, around 0.35%, from ₦12.27 trillion to ₦12.31 trillion. This trend reflects a pessimistic outlook for economic activities, weak industry funding base and the priority for capital protection. Bonds raising, predominantly in foreign currency, slowed down by 11.1%, from ₦762 billion to ₦677 billion, indicating a repayment and even pre-liquidation mode, in view of exchange rate risks, prospects of interest rate hikes in the United States and lull around lending activities.

Our other major investment is in Investment Banking, where we have a long tradition of excellence and leadership; our Capital Markets and Stockbroking businesses witnessed low-ebbed activities in line with very weak market conditions. Key NSE (Nigerian Stock Exchange) indicators were either flat or depressed. The all-share index, which closed 2014 at 34,657.2 ended at 28,642.3 for 2015; in similar ways, market capitalisation closed 2014 at ₦11.5 trillion and ended at ₦9.9 trillion for 2015. The number of deals done dropped from 90,613 to 53,567 while value of deals slumped from ₦129.1 billion to ₦55.4 billion.

This trend eroded shareholders' value significantly due more to economy-wide concerns that cut across almost all sectors than company specific issues; stocks with significant foreign shareholding appear to have suffered disproportionately from the reverse portfolio capital flows ignited by foreign exchange policy uncertainties and concerns about the economic prospects of, especially currencies, of countries that have been affected by the steep drop in prices of commodities on the international markets.

Equity trading data showed that foreign investors cut-back by 32% from ₦692.4 billion in 2014 to ₦470.8 billion in 2015; domestic institutional investors came down by 30% from ₦712.73 billion in 2014 to ₦497.9 billion in 2015 while retail investors dropped by 10% to ₦382.7 billion from ₦423.9 billion in 2014 and 2015, respectively; most of these reductions by wholesale investors went into reverse capital flows and rotation to bonds. As a result, Federal Government bonds increased from ₦4.7 trillion in 2014 to ₦6.4 trillion in 2015; only four new corporate bonds were issued, moving the volume from ₦145 billion in 2014 to ₦206 billion in 2015; three States' bonds were issued valued at circa ₦11.8 billion. The market for public offers was inactive throughout the year, due to abysmal valuations and weak economic conditions.

We are invested 28.3% in a leading Pension Funds Administrator, Legacy Pension; we continue to follow the strategic issues in this sector with keen interest. It is a sector that is amenable to our Retail thrust and fits into our strategy with potentials to leverage our distribution, cross sell into our over 3 million customers and tap our retail know-how. Industry assets reached ₦5.17 trillion as at November 2015 and projected to ₦5.21 trillion by the end of the year. The flagship fund is the Retirement Savings Active Account (RSA), which stood at ₦3.41 trillion or 66% of industry fund assets. It recorded a growth of 18% on 2014 level of ₦2.929 trillion, however new registration appears to be slowing or stagnant at 8% for both 2014 and 2015 compared to new RSA registrations growth of 24% in 2008. The allocation of funds across securities has been skewed sharply towards Federal Government securities, at 73% in 2015 compared to 69% in 2014; on the other hand asset allocations dropped for publicly quoted equities (from 11.5% in 2014 to 9.7% in 2015) and money market instruments (from 12.5% to 10%, 2014 and 2015, respectively). This trend underscores a flight to safety with adverse repercussion for funds' returns. The range of permitted securities was expanded to include Infrastructure and Private Equity funds while the closed pension funds continue to maintain slight investments in Real Estate; the newly permitted asset classes are still very much at infancy but training and active sensitisation have commenced. A key development in this sector is the phased movement of the Nigerian Police Pension Fund back to a closed fund.

Under a challenging macro-economic environment, exacerbated by a one-off provision for a receivable, our group profit after tax came in below expectations at ₦4.8 billion, a variance of 79% on last year; this does not reflect top-line trend, where variance is 12% for net interest income and non-interest revenue, however very significant impairment charge of ₦15 billion affected the bottom line.

Managing Director's Report

Continued

The commercial banking group (First City Monument Bank Limited, Credit Direct Limited and FCMB UK) recorded a combined contribution of 83.1% to the group's profit before tax; FCMB Capital Markets contributed 2.7%, CSL Trustees contributed 1.5%, CSL Stockbrokers Limited recorded a loss and FCMB Group PLC, contributed ₦1.2 billion or 15.8%, arising from realised gain on investments and treasury activities.

The upward trajectory for return on average equity of 11.6% in 2013, 14.6% in 2014, slumped to 3.0% in 2015; earnings per share dropped to 24 Kobo from 112 Kobo in 2014. In view of underlying positive momentum and in order to maintain a trend of steady dividend payment, after satisfying the need for sustained robust prudential buffers, a cash dividend payment at the rate of 10 Kobo for every eligible share will be proposed and if approved, this will translate to a dividend yield of 12.2% as at 11 March 2016 and a payout ratio of 42%.

The outlook for 2016 in terms of portfolio strategy is positive. A leading retail presence is central to our vision as we seek to build more businesses in the retail space; we hope to fully launch a micro-finance business as a full subsidiary of the Group and seek opportunities to improve controlling participation in the pension fund industry; we expect our non-pension asset management and private trusteeship business to grow more steadily; a combination of these initiatives will reduce the pressure on the bank's balance sheet and steer activities to less capital intensive businesses.

Whilst 2016 remain fraught with market turbulence and economic policy uncertainties, we are reasonably confident that with strong capital, more focus on cost efficiencies, capital optimisation and accelerated retail growth, we will see steady improvement in overall performance and sustained profitability. We understand that this requires a committed effort at driving through changes around risk management, operational and funding efficiencies while progressively reducing capital-intensive transactions, while at the same time further strengthening our capital position.

It is my pleasure to acknowledge our people for their dedication, professionalism and customer-focus which has enhanced our franchise value and resilience; and together, we remain committed to building a premier financial services group, deliver superior and sustainable returns to our shareholders.

Thank you.

Peter Obaseki
Managing Director
FCMB Group Plc

OPERATING REVIEW

2015 Awards Won

FCMB Group Plc's commitment to excellence was recognised in 2015 by a number of awards:

BusinessDay Newspaper
Most Customer Friendly Bank
September 2015
First City Monument Bank Limited

Contact Connect Communications
Most Outstanding SMEs Friendly and Sponsorship Commercial Bank
October 2015
First City Monument Bank Limited

EMEA Finance African Banking Awards
Best Local Investment Bank in Nigeria (African Banking Awards)
February 2015
FCMB Capital Markets Limited

Global Banking and Finance Review
Best Investment Bank in Nigeria
December 2015
FCMB Capital Markets Limited

IJGlobal Europe & Africa Awards
Africa: Multi-Sourced Financing: Azura Edo IPP
2015
FCMB Capital Markets Limited

EMEA Finance Achievement Awards
Best Refinancing in Africa: Accugas Limited
2015
FCMB Capital Markets Limited

First City Monument Bank Limited's

Business Performance Highlights

Ladi Balogun
Group Managing Director/
Chief Executive Officer
First City Monument
Bank Limited

Review of the year

2015 was a challenging year for the industry and for FCMB. We saw a decline in global oil prices, the implementation of the Treasury Single Account (TSA) (which saw over ₦2 trillion of deposits withdrawn from the banking system) and greater foreign exchange controls from the CBN, with its impact on trade and foreign exchange related income. In the first 3 quarters of 2015, we also witnessed a continuous rise in the cash reserve ratio (CRR) stipulated by CBN, ending with a consolidation of public/private sector cash CRR to 31% before eventual reduction to 25%. The consequence of this policy was a persistent squeeze on net interest margins.

While our customer base grew by 33% to 3.5 million, the overall outcome of the challenges above resulted in pressure on our cost of funds, a high cost of risk and significantly reduced profitability.

Net revenue declined 12% from ₦96.1 billion in 2014 to ₦84.9 billion in 2015. The decline in net revenue was driven mainly by an 11% drop in net interest income arising from an increase in the cost of funds as a result of cash reserve requirement hikes. Fees and commissions rose by 10% due to a strong surge in cards and electronic banking commissions off the back of the 33% rise in customers. There was a 47% decline in other income due to a ₦4.2 billion in foreign exchange gains.

In spite of the adverse impact of the treasury single account (TSA), our balance sheet size remained fairly stable during the year as a result of our focus on retail banking. Our loan book declined 5% from ₦618 billion in 2014 to ₦593 billion in 2015. Deposit volumes also declined 4% from ₦739 billion in 2014 to ₦711 billion in 2015, which was mainly due to the effects of TSA and a conscious decision to replace ₦23.1 of deposits with a 5 year fixed rate bond. Underlying trends in core deposits were however positive. Low cost deposits grew 10%.

First City Monument Bank Limited's

Business Performance Highlights continued

The most significant item on our profit and loss statements were the impairments of ₦14.1 billion, an increase of 34% over prior year. Two specific items stood out: an impairment of ₦6.2 billion on a loan to major player in the oil industry; and ₦5.4 billion provisioning on a contractual obligation from the Asset Management Company of Nigeria (AMCON). We are pursuing the recovery of both items vigorously and have since tightened our credit underwriting standards to prevent a future recurrence.

We were successful in the planned moderation of our operating expenses. This is a medium term exercise over 3 years that will gather pace in 2016. The early stages of the implementation of the cost curtailment initiative resulted in a modest 2% growth in operating expenses in 2015, (well below inflation rate), as against an 11.7% growth in 2014. We anticipate an absolute reduction of ₦5 billion in 2016, taking us below our 2014 figure and a further reduction in 2017. This measured approach ensures that while we remove inefficiencies and low productivity resources, we continue to invest in areas of significant growth potential.

As a result of the various revenue and expense movements highlighted above, the banking groups profit before tax declined by 70% from ₦22.4 billion in 2014 to ₦6.1 billion in 2015.

Despite the disappointing financial performance, our business strategy of building a retail led commercial bank remains on course, illustrated by our strong growth in personal banking revenue in 2015. This was largely driven by 54% growth in our card and electronic banking income from ₦8.6 billion in 2014 to ₦13.3 billion in 2015.

Moving on to our non-financial goals, in 2015 we continued to focus on improving our customer experience. In 2015, our Net Promoter Score (NPS), which measures customer satisfaction and advocacy, improved to +44% in December, against +32% in December 2014. Our ranking of 4th and 5th in the 2015 KPMG Banking Industry Satisfaction Survey (in the SME and personal banking segments respectively) provides a strong platform from which to build as we aspire to our near-term goal of being 'top 3' within our target segments.

> *We are now acquiring 55,000 new customers monthly and disbursing 20,000 new loans, with over 2,000 monthly to women-owned micro-enterprises.*
>
> **Ladi Balogun,**
> Group Managing Director/
> Chief Executive Officer

We continued to work towards our ambition to become a more convenient and accessible bank in 2015, reaching 689 ATMs, and 12,000 point of sale terminals across the country. Our Agent banking initiative is on course, we currently have 71 agents nationwide, with a plan to grow to 800 agents by 2017.

We are now acquiring 55,000 new customers monthly and disbursing 20,000 new loans, with over 2,000 monthly to women-owned micro-enterprises. We are signing on 70,000 new customers every month on our mobile banking solutions.

We are also making FCMB an even better place to work, with over 90% of our high performing employees retained, 78% of our vacancies are filled with internal appointments and 39% of our executive management are women. We will continue to find creative ways to motivate our employees and build a great institutional culture.

Subsidiaries' Performance

In contrast to the commercial bank, the subsidiaries wholly owned by FCMB Limited faired remarkably better, due to a more benign regulatory environment for local non-bank financial institutions and international banks. Credit Direct Limited, our micro-lending subsidiary witnessed 9% growth in profitability from ₦5.2 billion to ₦5.7 billion in 2015. FCMB UK broke even in its second year of operation as a licensed deposit-taking bank in the UK, with a PBT of ₦128.94 million. Following this milestone, FCMB UK will be pursuing a variation of its permission from a wholesale deposit taker to a retail deposit taker. This will be consistent with the overall retail direction of the banking group.

Looking Ahead

We are acutely aware that this has been a challenging year for the Bank as reflected in the financial results contained in this report. While these results reflect the difficulties our business has faced over the year, I want to assure you that we have moved swiftly and decisively to address these issues, and in the fourth quarter of 2015, we began to see early promising signs from the actions we have taken so far to reset the business and restore our growth.

Our turnaround plan requires us to stay the course strategically. 2016 performance improvement is expected to be driven by the following:

Improvements in operating efficiency will be a key lever in 2016, with a goal to achieve about 9% in cost savings during the year.

We will continue to intensify our retail banking investment drive particularly in alternate channels (ATMs, POS and agent banking). We will seek to achieve similar levels of revenue growth as we attained in 2015. However, with a focus on alternate channels, costs will remain relatively flat hence profitability in retail banking will rise significantly.

As a result of the credit losses experienced in 2015, we have made significant changes to our credit underwriting standards and intensified our loan recovery efforts. Accordingly, in both corporate and SME banking where we experienced the highest impairment levels, we expect to begin seeing a turnaround, with steadily reducing cost of risk in both segments. This will be critical to the restoration of profitability to both, which will happen in 2016. As the banking group moves forward, we see a resilient business emerging, led by retail banking but continuing to support corporate Nigeria strongly with effective lending, payment and transacting solutions. 2016 will remain a challenging year, but we anticipate a modest improvement in profitability.

Conclusion

Your Bank has a great foundation to continue to build from, and we are confident that our strategy is building the necessary resilience. By executing well, and making meaningful progress in our turnaround plan, the Bank will be in a good position to attain our medium-term performance objectives and create longer-term shareholder value.

Our future is intertwined with the collective future of our customers and we do not believe we can succeed if the customers do not. Hence, we will reinforce our position of being an inclusive lender, we will support sectors that will drive the prosperity of the markets in which we operate. We will bring greater accessibility to a broad range of financial services. By doing so, we will build one of the most relevant and resilient financial services franchises, providing the best customer experience.

In closing, I would like to thank our valued customers for their patronage. I also want to thank the Board of Directors for your confidence and continued support, particularly in such a challenging year. I want to recognise all our employees who work together and share a genuine desire to serve our customers. Finally, I give thanks to the Almighty God for His continued guidance and protection, and pray that 2016 will bring prosperity to all of us, and our country, Nigeria.

Ladi Balogun

Group Managing Director/Chief Executive Officer
First City Monument Bank Limited

FCMB Capital Market Limited's

Business Performance Highlights

FCMB Capital Markets Limited is the investment banking subsidiary of FCMB Group Plc. We are focused on providing strategic advice to, and arranging finance for, corporations, governments, institutions and individuals.

2015 – A Profitable Year, Despite Industry Challenges

The past financial year was particularly challenging for business activities in Nigeria due to the significant and sustained drop in crude oil prices, political uncertainty in the build-up to the country's general elections, and the uncertainties around foreign currency liquidity in the local market. Notwithstanding the macroeconomic headwinds faced, we demonstrated our adaptability and resilience by remaining profitable.

Particular highlights for the year included:

- We won the EMEA Finance (African Banking Awards) Best Local Investment Bank in Nigeria award for the second year running.
- We were presented with the award for Best Investment Bank in Nigeria 2015, by Global Banking and Finance Review.
- We successfully arranged ₦24 billion for Nigeria's first greenfield project-financed independent power project through the Central Bank of Nigeria/Bank of Industry Power and Aviation Intervention Fund.

Outlook for 2016

In our view, the macroeconomic challenges that adversely impacted business activities in the previous financial year will persist in 2016. Nevertheless, we remain cautiously optimistic about the year ahead as the current environment, though very challenging, presents opportunities for us to provide solutions in areas such as debt restructuring and refinancing transactions off the back of lower oil prices and foreign exchange liquidity constraints. We also anticipate upside potential for our business in the current administration's stated intent to focus on executing capital projects; we will seek, where possible, to deliver innovative financing structures and solutions for our clients in this regard. In addition, we anticipate that the expected devaluation of the naira will make asset values unusually attractive and this may trigger acquisition interests from offshore investors, creating advisory opportunities.

Overall, the business has demonstrated overtime its ability to weather challenging economic environments, and we remain confident in our ability to apply a disciplined approach in delivering tailor-made solutions to our diverse client base.

Tolu Osinibi
Executive Director
FCMB Capital Markets Limited

CSL Stockbrokers Limited's

Business Performance Highlights

CSL Stockbrokers Limited (CSLS) is a wholly owned subsidiary of FCMB Group Plc, and a market-leading equity brokerage house on the Nigerian Stock Exchange (NSE). Over the past 35 years, CSLS has evolved to become the broker of choice to corporate, institutional and high net worth clients. CSLS is especially recognised for its robust research and its sales and execution capabilities delivered from offices in Lagos, London and New York.

2015 – A Dip in Profitability

In 2015, CSLS maintained its number two position in terms of value of transactions traded on the NSE, with 12.8% market share as against 10% in 2014.

The value of trades CSLS executed on the NSE, however, dipped marginally by -8.1% from ₦263 billion (US$1.4 billion) in 2014 to ₦242 billion (US$1.3 billion) in 2015. The entire market saw a steeper decline of -27.36% with the value of traded shares declining from ₦2.7 trillion (US$14.2 billion) in 2014 to ₦1.90 trillion (US$9.7 billion) in 2015. The Company's corporate brokerage revenues declined in 2015 as the business environment experienced a lot of fundamental macroeconomic challenges ranging from foreign exchange restrictions, a significant decline in crude oil prices, increase in inflation, and political challenges culminating in a change in government. All these led to the abysmal performance recorded in both the primary and secondary market. Despite these challenges, the Company still maintained its corporate broking mandate to a leading oil and gas company, acted as a lead stockbroker to a Tranche I (₦30 billion) and Tranche II (₦23.1 billion) bond-raising exercise of a company in the banking sector, and the acquisition of a majority stake in an insurance company.

The major challenge witnessed in 2015 was increased competition from both local and international brokers. This resulted in a further squeeze of margins as commission rates fell from 27 basis points (bp) in 2014 to 22bp in 2015. Management is gradually re-orientating its business towards direct client business as against the indirect relationship arrangement currently in practice, as the former offers more margins than the latter. This will complement the Company's global broker relationship.

Overall, 2015 was a successful year for CSLS in line with our strategy to grow our market share and become an invaluable resource for investors wishing to gain access to the Nigerian equities market.

Outlook for 2016

With falling oil prices, currency devaluation and declining foreign exchange reserves, 2016 will prove to be a challenging year for the Nigerian stock market. However, we remain confident about the market's long-term prospects as we continue to diversify our revenue sources, expand into retail and grow market share relative to our international peers.

Furthermore, with Africa becoming an asset class in its own right, CSLS will be embarking on its pan-African (Sub-Saharan Africa excluding South Africa) strategy in 2016, with the commencement of our Kenyan product.

Gboyega Balogun
Managing Director
CSL Stockbrokers Limited

CSL Trustees Limited's

Business Performance Highlights

CSL Trustees Limited, is a wholly owned subsidiary of FCMB Group Plc. We have evolved in less than five years to become the fastest growing and leading trust service provider in Nigeria. As trustee and security agent, we have within the period participated in numerous corporate debt-related transactions.

As evidence of our growing market confidence, our client base has expanded locally and internationally across various economic sectors, which include banking, oil and gas, shipping, IT, real estate, tourism and manufacturing.

Capitalised at ₦40 million upon incorporation in 2010, in September 2015 we successfully completed the recapitalisation exercise as directed by the Securities and Exchange Commission (SEC) with a fresh capital injection of ₦180 million into the business, thereby increasing our shareholders' fund to over ₦300 million.

2015 – An Improved Cycle of Profitability

Our security agent to corporate debenture and bonds was our main earnings driver in 2015. This was in sync with our expectation for the year despite the low level of activities in the bond segment of the capital markets.

Other major highlights included:

- **Our revenue** grew by 87.7% from ₦104 million in 2014 to ₦195 million in 2015.
- **Profit before tax** increased by 117.6%, from ₦54 million to ₦118 million.
- **Total assets** grew from ₦2 billion to ₦4 billion, representing an increase of 104.4%.
- **The shareholders' funds** grew from ₦82 million to ₦346 million, an increase of 323.5%.

Outlook for 2016

We expect the lull in the corporate and municipal bonds to continue in 2016, as well as a substantial reduction in lending activities by the banks. Nonetheless, we intend to extend our service offerings to private trust, which is the retail segment of the market, and have developed some estate planning products for high net worth individuals.

In addition, we shall continue to maintain stringent control on operating expenses in order to achieve our cost-to-income ratio target.

Samuel Adesanmi
Managing Director
CSL Trustees Limited

Sustainability Report

FCMB and Sustainability

Sustainability is integrated into how we do business. It guides everything we do, from the services we provide to our customers, to the way we run our Bank and support the local communities across our footprint in the country.

As a major financial institution, our commitment to society goes beyond creating value for our shareholders. We seek to ensure that the financing we provide is sustainable and supports economic and social development for all stakeholders. As a Group, we are sustainability-focused and dynamic in our adaptation to our ever-changing environment. We are committed to promoting an inclusive society where meeting the needs of the present does not compromise the ability of future generations to successfully meet their own needs.

The Nigerian Sustainable Banking Principles (NSBPs)

FCMB's sustainability agenda is largely influenced by the nine pillars of the Nigerian Sustainable Banking Principles (NSBPs) developed and adopted by the Bankers' Committee in 2012. The NSBPs encourage banks to promote economic growth and business opportunities, and enhance innovation and competitiveness, while protecting communities and the environment in the normal course of duty.

Principle 1 – Our Business Activities: Environmental and Social Risk Management

At FCMB, we actively manage environmental and social risks by supporting business opportunities that align with sustainability principles as a responsible lender. This goal is enforced through the development of robust policies and procedures aimed at integrating Social and Environmental Management System (SEMS) initiatives into our lending process.

Principle 2 – Our Business Operations: Environmental and Social Footprint

Environmental Footprint

We are constantly seeking avenues to minimise our environmental impact and reviewing our measurement parameters. We have further identified specific areas where the Bank has the most impact as follows:

- energy/ fuel consumption;
- paper use;
- water use;
- solid waste production;
- company fleet;
- air travel; and
- third party environmental and social issues (i.e., vendors, contractors etc.).

From the second quarter of 2015, we began specifically capturing and measuring progress along these parameters on a quarterly basis. The quarter-on-quarter comparison aids engagement and provides management with a holistic picture. It also helps steer conversation and innovation that will drive both cost and environmental impact down significantly.

Social Footprint

Our Employees

The Group is committed to improving the livelihood of its employees through effective engagements, health programmes, training and adequate compensation.

Annual Employee Awards

The Annual Employee Awards, covering several categories, were instituted to recognise and celebrate employees and departments that achieve outstanding results in their primary job functions at the end of each business year.

Annual Health Week

Now an annual event, FCMB organised a health week for all employees to promote the adoption of a healthy lifestyle.

International Women's Day

In celebration of International Women's Day the FCMB Women visited selected schools and orphanages across the country to present gifts to the children. They also visited and painted Maimuna J Katai's Memorial Orphanage in Lafia and renovated Bethesda Nursery and Primary School, Matogun, Ogun State.

Sustainability Report

Continued

Principle 3 – Human Rights

FCMB's human rights policy fosters awareness for the Group's position on human rights and guides all its operations and activities on the subject as it relates to employees, vendors, contractors, business partners, customers and the community. The policy has been communicated to all employees and is available to the public in the CSR section of the Bank's website, which can be accessed by clicking on www.fcmb.com.

Principle 4 – Women's Economic Empowerment

This year, in addition to the two women on its board, FCMB Limited elevated a woman to its Executive Board, with Mrs Yemisi Edun now the Executive Director of Finance.

Some 40% of our employees are women, and we currently have close to 10 women in upper management, holding key roles in the Group.

The Group supports women-owned businesses; the Bank held a capacity-building workshop for women entrepreneurs aimed at helping them to take advantage of the CBN intervention fund for SME development.

Principle 5 – Financial Inclusion

The FCMB Microfinance initiative is a key platform for achieving our Financial Inclusion objectives. Targeted primarily at economically active low-income earners (99% women), the total number of customers and groups as at December 2015 was 29,646 and 2,371 respectively, with close to 27,000 borrowers. Through our business of banking, we fuel economic activity and job creation in the country. The credit and other financial services we provide help businesses to set up, trade and expand, and ultimately ensure people can save and protect their wealth for the future.

In addition, FCMB launched the Flexx Account, a youth product to encourage young people to save and grow their wealth early in life.

Principle 6 – Environmental & Social (E&S) Governance

FCMB continues to foster responsible initiatives across the organisation through appointed sustainability champions within operations, administration, human resources and credit risk management. This model engenders innovation and ensures holistic management and integration of the Bank's sustainability strategy, as approved by Executive Management.

Principle 7 – Capacity Building

Knowledge improvement programmes (KIP) are held to increase employees' awareness on the importance of sustainability at all levels. 1,970 officers (including senior management) completed the Managing Environmental and Social Performance and the International Finance Corporation's (IFC) Sustainability Training on FCMB's e-learning programme (STEP), comprising 13 modules. Engagements with other players in the industry and major multilateral agencies, like the IFC and FMO (the Dutch development bank), also provide crucial support and knowledge transfer.

We also held a sustainability forum for vendors of the Bank for knowledge sharing on the subject.

Principle 8 – Collaborative Partnership

FCMB signed on to the largest voluntary corporate responsibility initiative in the world, the United Nations Global Compact (UNGC), a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles.

To further promote sustainable banking, we partnered with IFC to carry out a Sustainable/Renewable Energy Finance (SEF) pilot project with a focus on developing our internal capacity to successfully implement an Energy Efficiency/Renewable Energy (EE/RE) financing line, targeting SME borrowers in Nigeria.

Principle 9 – Reporting

In addition to our internal quarterly reporting on sustainability for monitoring progress and addressing issues in an independent manner, we instituted an environmental management reporting framework covering sustainable resource consumption as it relates to the areas mentioned under **Environmental Footprint**.

FCMB also complies with the CBN's semi-annual reports in line with the NSBPs, and submits periodic reports to the IFC.

Corporate Social Responsibility (CSR) Initiatives

In 2015, FCMB continued with its CSR focus on Poverty Alleviation, Environmental Sustainability with Economic Empowerment taking the larger portion of allocated resources. We also supported numerous charitable projects.

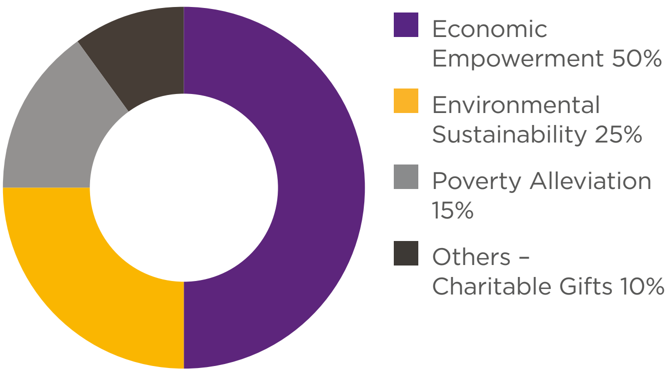
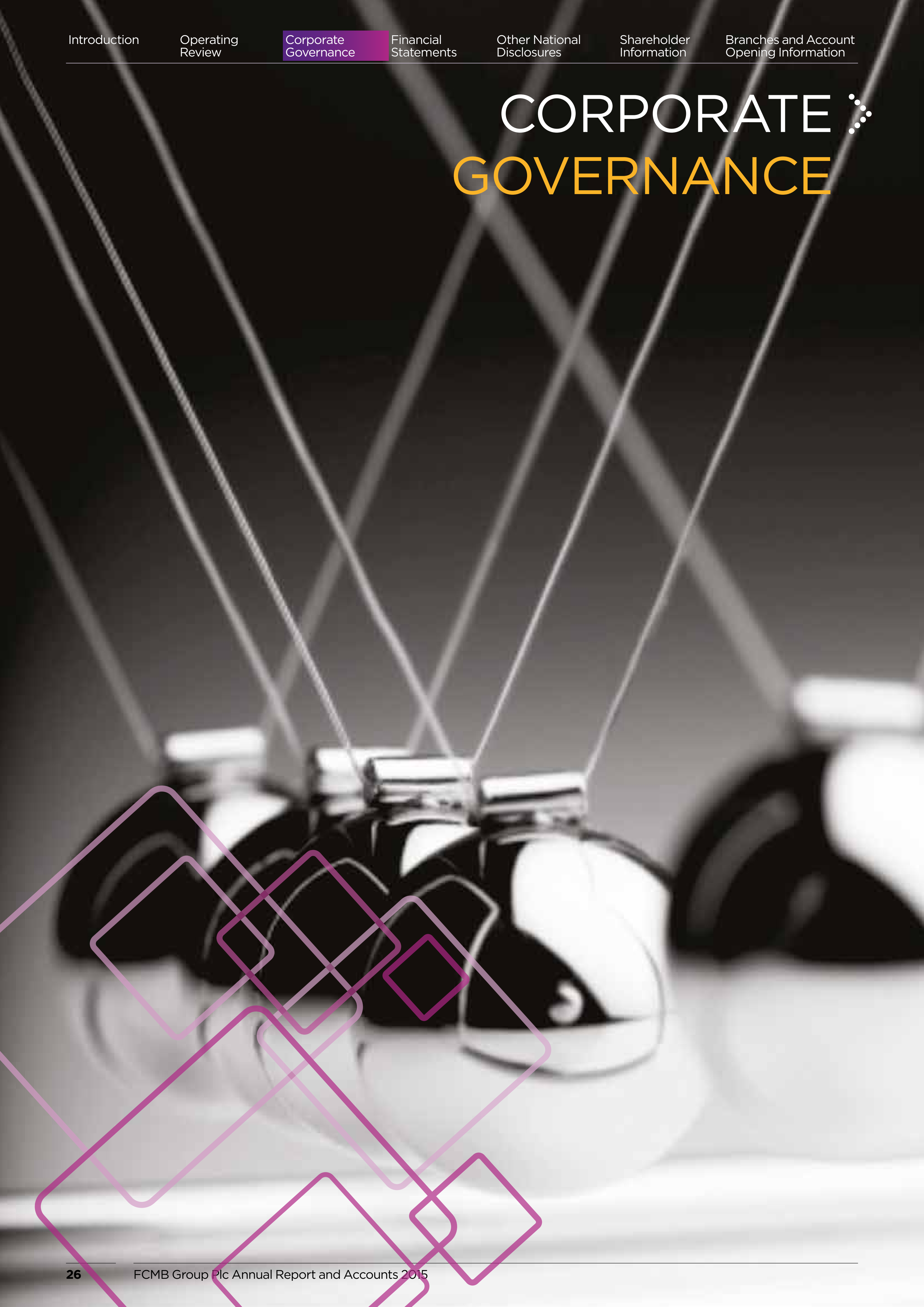


Figure 1. CSR expenses in 2015

The Group spent ₦202,561,950 on CSR in 2015. This was a reduction of ₦160,686,943 from 2014. The reduction was because of the ₦175 million donated to The Victims of Terror, a regulatory fee.

Details of the beneficiaries are contained in the 'i. Donations and Charitable Gifts' segment of the Directors' Report in the Financial Statements section.

CORPORATE GOVERNANCE



Board of Directors

Dr Jonathan A D Long
Chairman

Jonathan Long holds a bachelor's degree (1967) and master's degree (1970) from Balliol College; and a doctorate degree (1973) from St. Anthony's College, both based at Oxford University in the UK.

He began his working career with William & Glyn's Bank Limited in 1973 and was appointed Manager, Corporate Finance with Charterhouse Japhet Limited in London in 1976, before becoming General Manager of the Bank's Swiss Investment Management subsidiary, Charterhouse Japhet (Suisse) SA in Geneva in 1979, and eventually Assistant Director in 1981. He later established the operations of Standard Chartered Bank Plc in Geneva, Switzerland in 1982 before joining First City Merchant Bank Limited in 1985 as Deputy Managing Director.

He retired from the Board of First City Monument Bank Limited in 2013 and was, subsequently, appointed the Chairman of FCMB Group Plc.

Mr Peter Obaseki
Managing Director

Peter Obaseki holds a BSc and MSc in Computer Science as well as an MBA in Finance from the University of Lagos; and has received specialised training from some of the most prestigious institutions in Europe, America and Africa, including the Lagos Business School Afrexim Bank, Egypt and Columbia Business School in the US.

He commenced his career with KPMG as a Management Consultant, focused on financial institutions, before venturing into the banking industry. He is a Fellow of the Chartered Institute of Bankers with over 27 years banking experience.

He joined First City Monument Bank Plc in 1997 and was appointed an Executive Director in September 2008. He also served as the Managing Director/CEO of FinBank Plc between February and October 2012.

He was appointed Managing Director of FCMB Group Plc in 2013.

Board of Directors

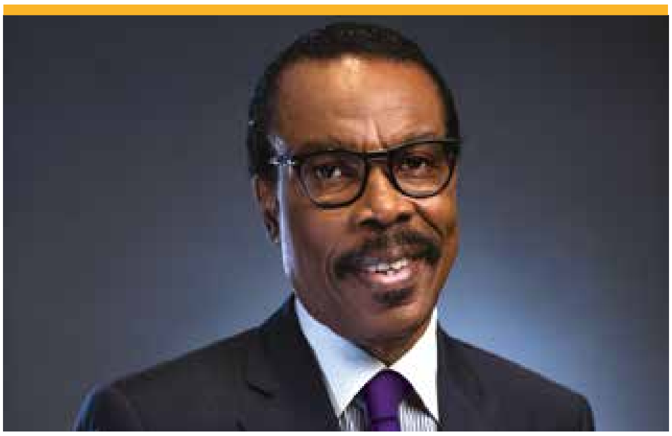
Continued

Mr Ladi Balogun
Non-Executive Director

Ladi Balogun holds a bachelor's degree in Economics from the University of East Anglia in the UK and an MBA from Harvard Business School in the US. He has over 20 years' experience in commercial and investment banking in Europe, the US and Africa.

He began his banking career in 1993 at Morgan Grenfell & Co Limited, where he worked in the areas of risk management and corporate finance (debt origination). He was responsible for managing the Bank's trading and investment positions in debt instruments in Latin America and Eastern Europe, and also part of a team that structured numerous complex debt deals in Latin America, Eastern Europe and the Asian sub-continent. Subsequently he worked at Citibank in New York before returning to Nigeria as an Executive Assistant to the Chairman and Chief Executive in 1996.

He worked in Treasury, Corporate Banking, Investment Banking and various other departments in First City Monument Bank and was appointed an Executive Director (ED) in charge of the Institutional Banking Group (IBG) and Strategy and Business Development in 1997 and 2000 respectively. In 2001 he rose to the position of the Deputy Managing Director and was subsequently appointed Managing Director of the Bank.



Mr Bismarck Rewane
Non-Executive Director

Bismarck Rewane holds a BSc in Economics from the University of Ibadan and is an Associate of the Institute of Bankers (England and Wales). He began his banking career with Barclays Bank, UK in 1973 and moved to Nigeria where he joined the First National Bank of Chicago. He moved on to International Merchant Bank, Nigeria before leaving in 1996 to start his own company, Financial Derivatives Company Limited. He is an outstanding scholar who has addressed many professional and business gatherings.

Alhaji Mustapha Damcida
Non-Executive Director

Alhaji Mustapha Damcida has a Diploma in Law from Ahmadu Bello University and a BSc in Business Administration from the Robert Morris College, Pittsburgh, US. He is the MD/CEO of Damus International Limited, Damus Security Solutions Limited and Damson Properties Limited. He was a Director at the Nigerian-American Bank Limited between 2004 and 2005. Prior to his appointment to the Board of FCMB Group Plc as a Non–Executive Director, he had served on the Board of First City Monument Bank Limited.

Mr Olusegun Odubogun
Non-Executive Director

Olusegun Odubogun qualified as a Chartered Accountant in 1974 and became a Fellow of the Institute of Chartered Accountants of Nigeria in 1980.

He worked throughout his career, spanning over 40 years, at Deloitte (previously Akintola Williams & Co) and through diligence, technical ability and uncompromising commitment to professionalism and excellence, he rose rapidly in the practice to become a Partner in 1980, and in 2003 he was elected the firm's Chief Executive Officer.

He retired in 2008 as the Chief Executive Officer, Deloitte West & Central Africa, a regional practice formed in 2006 under his leadership.

He is one of the foundation members of Business Recovery and Insolvency Practitioners of Nigeria (BRIPAN) and a foundation council member of the Chartered Institute of Taxation of Nigeria (CITN). He is also a member of the Institute of Directors as well as the Nigerian Institute of Management.

In addition to being on the Board of FCMB Group Plc, he is also on the Board of First City Monument Bank Limited.

Board of Directors

Continued

Mr Olutola O Mobolurin
Non-Executive Director

Olutola Mobolurin holds a BSc in Accounting and Finance from the State University of New York and an MBA from York University, Toronto. He is a Fellow of the Chartered Institute of Stockbrokers.

He has over 30 years' of varied exposure and experience in the financial services industry. He began his career as an Investment Executive at Plateau Investments Company in 1977 before joining City Securities Limited in 1978. He joined Continental Merchant Bank Limited in 1979, rising to Head of Corporate Finance until he left in 1988. He subsequently worked with Capital Bancorp Ltd as Managing Director from 1988 to 2006. He joined Crusader (Nigeria) Plc as Vice Chairman and Group Chief Executive Officer in 2007 until his retirement in 2014.

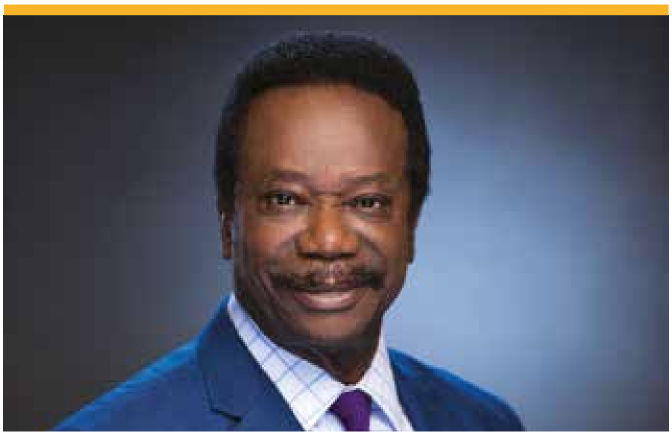
In addition to being on the Board of FCMB Group Plc, he is also on the Board of First City Monument Bank Limited.

Mr Martin Dirks
Non-Executive Director

Martin Dirks has over 25 years' of Senior Management experience in demanding international and multicultural environments. In 1989, he established ID-Drenthe, one of the first active companies in the field of information technology providing medium sized businesses with training programs, consultancy and other IT services.

He has also served as CEO of Maxx Management Ltd, an investment company in Kazakhstan, focused on construction, railway infrastructure and maintenance; and of Ukrainian Mobile Communications in the Ukraine.

Martin is highly experienced in growth scenarios, re-structuring, turn around and change management.



Professor Oluwatoyin Ashiru
Non-Executive Director

Professor Oluwatoyin Ashiru is a graduate of the University of Sussex, Brighton, UK where he obtained a BSc in Materials Science and Engineering. He concluded his PhD in Industrial Metallurgy at the University of Birmingham, UK.

He began his career as a lecturer in mechanical engineering at the Universities of Lagos and Ibadan respectively before serving as Nigeria's Senior Research Fellow at the International Tin Research Institute in the UK. He is currently the Managing Director and CEO of Tricontinental Oil Services Ltd.

He is an accomplished Materials and Metallurgical Engineer with over 30 years' of comprehensive professional experience in academia, entrepreneurship, management engineering, technologies invention, and consulting for the enhancement of productivity in major industries worldwide.

He holds USA, British, European, Brazilian and other international patents for products and systems that he has invented. He is a recipient of several merit awards which include, but not limited to, his recognition in the US as a 'Professional with Extraordinary Ability', with listings in Who is Who in the World and Dictionary of International Biography, and the prestigious Distinguished Innovator Award of the Association of Tin Producing Countries.

Dr (Engr) Gregory Omosigho Ero
Non-Executive Director

Dr Gregory Ero is a graduate of the University of Ibadan with a BSc (Hons) in Chemistry. He also attended Imperial College, London where he obtained an MSc and DIC in Petroleum Engineering. He obtained a DMS from Templeton College, University of Oxford, then furthered his studies at the Graduate School of Business, University of Columbia, New York and the Institute of Management Development, Lausanne Switzerland.

He began his career as a Petroleum Engineer in the Lagos office of the Federal Ministry of Petroleum and Energy, and thereafter, was posted to Warri as Head, Federal Ministry of Petroleum Resources. He spent much of his career in the public service, where he served in many capacities spanning three decades. He also served on the Boards of many Federal Government Parastatals, including Economic and Finance Committee of the Federal Government during the Buhari Administration and Petroleum Training Institute Warri, amongst others.

Dr Gregory Ero is a Fellow of many professional bodies, including the Nigerian Academy of Engineering, Nigerian Society of Engineers; Hon Fellow, Nigerian Society of Chemical Engineers; and Fellow, Institute of Directors of Great Britain. He is presently the Chairman/CEO of Arkleen Oil & Gas Limited and Chairman, Cardinal Drilling Company Limited, amongst others.

Board Evaluation Report

4 March 2016

The Chairman
Board of Directors
FCMB Group Plc
First City Plaza
44 Marina Lagos, Nigeria.

Report of the External Consultants on the Performance of the Board of Directors of FCMB Group Plc (FCMB Group) for the Year Ended 31 December 2015

In line with the provisions of **Section 15.6** of the Securities and Exchange Commission's **Code of Conduct for Public Companies (SEC Code)**, DCSL Corporate Services Limited (DCSL) was engaged by FCMB Group Plc ("FCMB Group" or "the Group") to carry out an appraisal of the Board's performance as well as a Peer Review of the performance of individual Directors for the year-ended 31 December 2015. This entailed an examination of the Group's compliance with the requirements of the SEC Code, relevant provisions of the CBN Code of Corporate Governance 2014 as well as corporate governance best practices. In carrying out this engagement, we embarked on a comprehensive review of the Group's corporate and statutory documents, the Minutes of Board and Committee meetings, policies currently in place, other ancillary documents made available to us, responses to questionnaires administered, as well as information derived from Director Interviews.

In undertaking the appraisal, we considered seven key corporate governance areas as follows:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Following our review of the processes put in place by the Group, we affirm that the Board has substantially complied with the provisions of the Codes. The composition of the Board of FCMB Group Plc is in line with the provisions of the SEC Code with the Directors being individuals with very relevant skills, competencies and experience.

The Peer Assessment indicates that individual Directors performed satisfactorily against the parameters used for the appraisal and remained committed to enhancing the Company's growth. We recommend that the Board should ensure that Directors continue to receive ongoing relevant training.

Details of our key findings and other recommendations are contained in our Report.

Yours faithfully

For: DCSL Corporate Services Limited

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Corporate Governance

Commitment to Corporate Governance

FCMB Group Plc (the Group) remains committed to institutionalising corporate governance principles. It continues to adhere to the implementation of corporate governance rules of the Central Bank of Nigeria, the Nigerian Stock Exchange and the Securities and Exchange Commission.

The Group's Board (the Board) operates in line with its responsibilities as contained in Regulatory Codes of Corporate Governance, the Company's Articles of Association and the Companies and Allied Matters Act. Its oversight of the operations and activities of the Company are carried out transparently without undue influence.

The Company has undertaken to create the institutional framework conducive for defending the integrity of our Directors, and is convinced that on account of this, the Group's Board is functioning in a highly effective manner. It is intended that we continue to challenge ourselves to improve in areas where the need for improvement is identified.

Board Composition and Independence

The Board is composed of 10 Directors made up of nine Non-Executive Directors and one Executive Director, in line with international best practice which requires the number of Non-Executive Directors to be more than the Executive Directors.

The appointment of Board members is in line with the Companies and Allied Matters Act Cap C20 LFN 2004, CBN code of Corporate Governance, and the Company's selection criteria for Directors.

The Group's Board, led by a Non-Executive Chairman, is composed of individuals with enviable records of achievement in their respective fields and who bring on board high levels of competencies and experience. The Board meets regularly to set broad policies for the Group's business and operations and ensures that an objective and professional relationship is maintained with the Group's internal and external auditors in order to promote transparency in financial and non-financial reporting. Directors' emoluments, as well as their shareholding information, are disclosed in the Company's Annual Report and Accounts.

The Directors are guided by the Code of Conduct of the Central Bank of Nigeria for Directors.

The Guiding Principles of the Group's Code of Corporate Governance are as follows:

- all power belongs to the shareholders;
- delegation of authority by the owners to the Board and subsequently to Board Committees and executives is clearly defined and agreed;
- institutionalised individual accountability and responsibility through empowerment and relevant authority;
- clear terms of reference and accountability for committees at Board and executive levels;
- effective communication and information sharing outside of meetings;
- actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Group and shareholders;
- enhancing compliance with applicable laws and regulations and the interest of the stakeholders; where there is any conflict between the Group's rules, the local laws and legislation supersede;
- conformity with overall Group strategy and direction; and
- transparency and full disclosure of accurate, adequate and timely information regarding the personal interest of Directors in any area of potential conflict regarding Group's business.

Corporate Governance

Continued

Role of the Board

- Investment and capital management, investor relations, Group financial and statutory reporting, articulation and approval of Group policies, setting overall Group strategic direction, monitoring and coordinating Group performance, succession planning for key positions on the Boards of the Group and operating companies.
- Reviewing alignment of goals, major plans of action, annual budgets and business plans with overall strategy; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditure in line with the approved budget.
- Ensuring the integrity of the Group's accounting and financial reporting systems (including the independence of Internal Audit, and that appropriate systems are in place for monitoring risk, financial control and compliance with the law).
- Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- Interfacing with the management of the Group to ensure harmony in implementing Group strategy.
- Performing all statutory roles as required by law.
- Through the establishment of Board Committees, making recommendations and taking decisions on behalf of the Board on issues of expenditure that may arise outside the normal meeting schedule of the Board.
- Ratifying duly approved recommendations and decisions of the Board Committees.

The Board ensures that the Company has an effective internal audit and risk management system in place.

Board of Directors

The Board of Directors met five times during the year as noted below:

Board of Directors Meetings Held in 2015

	9 Mar 2015	24 Apr 2015	24 Jul 2015	23 Oct 2015	18 Dec 2015
Dr Jonathan A D Long	✔	✔	-	✔	✔
Mr Peter Obaseki	✔	✔	✔	✔	✔
Mr Bismarck Rewane	-	-	-	✔	✔
Mr Ladi Balogun	-	✔	✔	✔	✔
Alhaji Mustapha Damcida	✔	✔	✔	✔	✔
Mr Olusegun Odubogun	✔	✔	✔	✔	✔
Mr Olutola O Mobolurin	✔	✔	✔	✔	✔
Mr Martin Dirks	-	✔	✔	-	✔
Prof Oluwatoyin Ashiru	✔	✔	✔	✔	✔
Dr (Engr) Gregory O Ero	✔	✔	✔	✔	✔

Board Committees

The Board approved the constitution of the two Board Committees, listed below, with their respective responsibilities and roles clearly defined.

Risk, Audit and Finance Committee (RAF)

Its functions include the overseeing of Internal Control, Internal Audit and Financial Reporting; providing oversight for strategy articulation and strategic planning; reviewing the Group's strategy and financial objectives, as well as monitoring the implementation of those strategies and objectives; and reviewing and approving proposals for the allocation of capital and other resources within the Group.

Membership: The Committee is made up of five Non-Executive Directors (at least one of whom should be an Independent Director). The Managing Director is required to be in attendance at all meetings of the Committee.

Committee Composition: Mr Bismarck Rewane, Mr Olusegun Odubogun, Dr (Engr) Gregory O Ero, Mr Ladi Balogun and Mr Martin Dirks.

Board Risk, Audit and Finance Committee Meetings Held in 2015

	20 Apr 2015	21 Jul 2015	19 Oct 2015	16 Dec 2015
Mr Bismarck Rewane	✔	-	✔	-
Mr Olusegun Odubogun	✔	✔	✔	✔
Dr (Engr) Gregory O Ero	✔	✔	✔	✔
Mr Ladi Balogun	✔	✔	✔	✔
Mr Martin Dirks	-	✔	-	✔

Governance and Remuneration Committee (GRC)

Its functions include nominating new Directors to the Board; recommending remuneration policy for the Group; overseeing Board performance and evaluation within the Group, as well as succession planning for key positions on the Boards of the Group and subsidiaries.

Membership: The Committee is made up of only Non-Executive Directors. The Managing Director shall be in attendance when required.

Committee Composition: Mr Olutola O Mobolurin, Alhaji Mustapha Damcida, Professor Oluwatoyin Ashiru and Mr Ladi Balogun.

Board Governance and Remuneration Committee Meetings Held in 2015

	20 Apr 2015	7 May 2015	19 Oct 2015	14 Dec 2015
Mr Olutola O Mobolurin	✔	✔	✔	✔
Alhaji Mustapha Damcida	✔	✔	✔	✔
Professor Oluwatoyin Ashiru	✔	-	✔	✔
Mr Ladi Balogun	✔	✔	✔	✔

Statutory Audit Committee (SAC)

Section 359 (3) of the Companies and Allied Matters Act Cap C20 LFN 2004 requires every public company to establish a Statutory Audit Committee (SAC) composed of an equal number of its Directors and representatives of the shareholders.

Subject to such other additional functions and powers that the Company's Articles of Association may stipulate, the objectives and functions of the Statutory Audit Committee shall be to:

- ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- review the scope and planning of audit requirements;
- review the findings on management matters in conjunction with the external auditors and departmental responses therein;
- keep under review the effectiveness of the Company's system of accounting and internal control;
- make recommendations to the Board with regard to the appointment of, removal and remuneration of the external auditors of the Company;
- authorise the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee; and
- examine the Auditors' Report and make recommendations thereon to the Annual General Meeting as it may think fit.

Membership

- The Statutory Audit Committee shall consist of an equal number of Directors and representatives of the shareholders (subject to a maximum of six members). Such members of the Audit Committee shall not be entitled to remuneration and shall be subject to re-election annually.

Corporate Governance

Continued

- The members will nominate any member of the Committee as the Chairman of the Audit Committee from time to time.
- Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary of the Company at least 21 days before the Annual General Meeting.
- A quorum for any meeting is a simple majority of three members with a minimum of two representatives of the shareholders.

Statutory Audit Committee Meetings Held in 2015

	9 Mar 2015	21 Apr 2015	22 Jul 2015	20 Oct 2015
Alhaji S B Daranijo	✓	✓	✓	✓
Alhaji B A Batula	✓	✓	✓	✓
Evangelist Akinola Soares	✓	✓	✓	✓
Mr Bismarck Rewane	-	-	-	✓
Mr Olutola O Mobolurin	✓	✓	✓	✓
Mr Olusegun Odubogun	✓	✓	✓	✓

Management Committees

The Board was supported by the Executive Management Committee (EMC) and the Group Executive Committee (GEC).

Executive Management Committee (EMC)

The EMC, usually chaired by the Managing Director of the Company, comprises all departmental heads. The EMC deliberates and makes decisions, as necessary, to optimise the resources of the Company and ensure the effective and efficient management of the Company. The EMC also articulates issues to be discussed by the Board.

The Managing Director is responsible for the daily running and performance of the Company.

Group Executive Committee (GEC)

The GEC is usually chaired by the Managing Director of the Group while other members are the Chief Executive Officers of the Operating companies in the Group and the Group Chief Financial Officer. The Company Secretary serves as Secretary to the Committee. The GEC shall, from time to time, invite to its meetings any other person as may be required.

Shareholder Participation

The Group leverages the significant experience, contributions and advice of shareholder members of the Statutory Audit Committee.

The Group continues to take necessary steps to promote shareholder rights.

All stakeholders are invited to report any concern about a threatened/suspected breach of any corporate governance requirement to the office of the Company Secretary.

Security Trading Policy

The Company has a security trading policy which is being adhered to.

Disclosure to the Shareholders

The Directors' fees for the financial year ending 31 December 2016 shall be fixed at ₦200,000,000.00 only and a resolution to approve same shall be proposed.

Mrs Funmi Adedibu
Company Secretary
FRC/2014/NBA/00000005887

FINANCIAL STATEMENTS

Directors' Report

for the year ended 31 December 2015

The Directors present their annual report on the affairs of FCMB Group Plc ('the Company') and its subsidiaries ('the Group'), together with the financial statements and independent auditor's report for the year ended 31 December 2015.

a. Legal Form

FCMB Group Plc was incorporated in Nigeria as a financial holding company on 20 November 2012, under the Companies and Allied Matters Act.

b. Principal Activity and Business Review

The Company is a non-operating financial holding company, regulated by the Central Bank of Nigeria (CBN). The principal activity of the Group continues to be the provision of comprehensive banking and financial services to its wholesale and retail customers. Such services include cash management, trade, loans and advances, corporate finance, investment banking, securities brokerage, money market activities and foreign exchange operations.

Through ownership of FCMB Group Plc, shareholders own 100% of all subsidiaries, including FCMB Capital Markets Limited, CSL Trustees Limited, CSL Stockbrokers Limited (including its subsidiary First City Asset Management Ltd) and First City Monument Bank Limited (and its subsidiaries Credit Direct Limited, FCMB (UK) Limited and FCMB Financing SPV Plc).

The Group does not have any unconsolidated structured entity.

c. Operating Results

The gross earnings and profit after income tax recorded by the Group for the year ended 31 December 2015 was ₦152.51 billion and ₦4.76 billion respectively. The Directors affirm that the Group is strategically poised for continued growth and development. Highlights of the Group's operating results for the year ended are as follows:

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Gross earnings	**152,507,947**	148,637,409	**4,200,904**	6,672,890
Profit before minimum tax and income tax	**7,768,664**	23,942,893	**2,548,286**	5,450,877
Minimum tax	**(900,532)**	-	**-**	-
Income tax expense	**(2,107,466)**	(1,809,636)	**(25,231)**	(53,969)
Profit attributable to equity holders of the Company	**4,760,666**	22,133,257	**2,523,055**	5,396,908
Total comprehensive income for the year	**6,976,534**	22,586,829	**2,523,055**	5,396,908
Appropriations:				
Transfer to statutory reserve	**661,992**	3,067,607	**-**	-
Transfer to retained earnings	**4,098,674**	19,065,650	**2,523,055**	5,396,908
	4,760,666	22,133,257	**2,523,055**	5,396,908
Basic and diluted earnings per share (Naira)	**0.24**	1.12	**0.13**	0.27
Dividend per share (Naira)	**0.10**	0.25	**0.10**	0.25
Total non-performing loans and advances	**25,370,162**	22,962,196	**-**	-
Total non-performing loans to total gross loans and advances (%)	**4.15%**	3.63%	**-**	-

Proposed Dividend

The Board of Directors recommended a cash dividend of 10 kobo per issued and paid up ordinary share for the year ended 31 December 2015. This is subject to approval at the Annual General Meeting.

Payment of dividends is subject to withholding tax at a rate of 10% in the hand of recipients.

d. Directors' Shareholding

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004 and listing requirements of the Nigerian Stock Exchange are as noted below:

	Shareholding as at 31 December 2015 Number of 50 kobo ordinary shares held		**Shareholding as at 31 December 2014** Number of 50 kobo ordinary shares held	
	Direct holdings	Indirect holdings	**Direct holdings**	Indirect holdings
Dr Jonathan A D Long (Chairman)	**11,149,220**	-	11,149,220	-
Mr Peter Obaseki (Managing Director)	**5,369,945**	-	5,369,945	-
Mr Ladipupo O Balogun (Non-Executive Director)	**190,166,756**	-	190,166,756	-
Mr Bismarck Rewane (Non-Executive Independent Director)	**1,112,280**	-	1,112,280	-
Mr Olusegun Odubogun (Non-Executive Independent Director)	**190,000**	-	190,000	-
Alhaji Mustapha Damcida (Non-Executive Director)	**-**	-	-	-
Mr Olutola O Mobolurin (Non-Executive Director)	**2,120,000**	-	1,520,000	-
Mr Martin Dirks (Non-Executive Director)	**-**	-	-	-
Professor Oluwatoyin Ashiru (Non-Executive Director)	**1,041,887**	-	920,000	-
Dr (Engr) Gregory O Ero (Non-Executive Director)	**-**	-	-	-

Directors' Report

for the year ended 31 December 2015 continued

e. Directors' Interests in Contracts

For the purpose of section 277 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, none of the Directors/Major Shareholders had direct or indirect interest in contracts or proposed contracts with the Company during the year.

f. Property and Equipment

Information relating to changes in property and equipment is given in Note 29 to the financial statements. In the Directors' opinion, the market value of the Group's properties is not less than the value shown in the financial statements.

g. Shareholding Analysis

The shareholding pattern of FCMB Group Plc as at 31 December 2015 is as stated below:

31 December 2015

Share range	No. of Shareholders	% of Shareholders	No. of Holdings	% of Shareholdings
1–10,000	490,562	93.98	391,693,209	1.98
10,001–50,000	24,076	4.62	481,531,637	2.43
50,001–100,000	3,399	0.65	234,871,356	1.19
100,001–500,000	3,095	0.59	593,867,954	3.00
500,001–1,000,000	331	0.06	230,047,138	1.16
1,000,001–5,000,000	372	0.07	710,915,187	3.59
5,000,001–10,000,000	41	0.01	275,582,650	1.39
10,000,001–50,000,000	64	0.01	1,258,032,369	6.35
50,000,001–100,000,000	5	0.00	370,401,503	1.87
100,000,001–500,000,000	22	0.01	5,615,592,389	28.36
500,000,001–1,000,000,000	2	0.00	1,045,436,075	5.28
1,000,000,001–19,802,710,781	3	0.00	8,594,739,314	43.40
Total	**521,972**	**100**	**19,802,710,781**	**100**

31 December 2014

Share range	No. of Shareholders	% of Shareholders	No. of Holdings	% of Shareholdings
1–10,000	492,130	94.02	392,910,467	1.98
10,001–50,000	24,251	4.63	483,154,936	2.44
50,001–100,000	3,319	0.63	228,025,004	1.15
100,001–500,000	2,948	0.56	557,509,856	2.82
500,001–1,000,000	295	0.06	205,093,434	1.04
1,000,001–5,000,000	331	0.07	604,809,147	3.05
5,000,001–10,000,000	48	0.01	337,804,553	1.71
10,000,001–50,000,000	69	0.01	1,317,834,711	6.65
50,000,001–100,000,000	15	0.00	1,186,109,213	5.99
100,000,001–500,000,000	27	0.01	7,411,355,801	37.43
500,000,001–1,000,000,000	6	0.00	4,437,629,078	22.41
1,000,000,001–19,802,710,781	2	0.00	2,640,474,581	13.33
Total	**523,441**	**100**	**19,802,710,781**	**100**

The shareholding analysis into domestic and foreign shareholders of the Company is as stated below:

31 December 2015

Shareholder category	No. of Shareholders	% of Shareholders	No. of Holdings	% of Shareholdings
Domestic shareholders	521,647	99.94	12,135,629,163	61.28
Foreign shareholders	325	0.06	7,667,081,618	38.72
Total	**521,972**	**100**	**19,802,710,781**	**100**

31 December 2014

Shareholder category	No. of Shareholders	% of Shareholders	No. of Holdings	% of Shareholdings
Domestic shareholders	523,096	99.93	11,576,818,366	58.46
Foreign shareholders	345	0.07	8,225,892,415	41.54
Total	**523,441**	**100**	**19,802,710,781**	**100**

h. Substantial Interest in Shares

The Company's authorised share capital is ₦15 billion divided into 30 billion ordinary shares of 50 kobo each of which 19,802,710,781 ordinary shares are issued and fully paid. According to the register of members no shareholder other than the under-mentioned held more than 5% of the issued share capital of the Company as at 31 December 2015:

	31 December 2015		31 December 2014	
Shareholder category	**No. of Shares**	**% of Holdings**	No. of Shares	% of Holdings
1. Capital IRG Trustees Limited	1,557,955,397	7.87	1,539,045,397	7.77
2. Stanbic Nominees Nig. Limited – Custody	5,704,007,750	28.80	6,288,451,314	31.76
3. Asset Management Corporation of Nigeria (AMCON)	1,332,776,167	6.73	1,281,403,966	6.47

i. Donations and Charitable Gifts

The Group made contributions to charitable and non-political organisations amounting to ₦202,561,950 (2014: ₦363,448,893) during the year.

Beneficiary	Amount (₦)
Dare to Dream Youth Empowerment Programme	25,000,000
PAN Atlantic University	25,000,000
St Saviours School, Ikoyi	20,000,000
Abubakar Tafawa Balewa University	12,915,000
Central Bank of Nigeria: Financial Literacy Curriculum	10,257,450
Ojude Oba Festival	10,000,000
Bethesda Child Support Foundation	7,940,398
Tulsi Chanrai Foundation	7,000,000
River State Microfinance Agency	6,500,000
Kwara State University	6,500,000
House of TARA International Limited	5,600,000
The Life House: Woman Rising 2015 & The Film Festival	5,250,000
Ikoyi Club (Nigeria Cup Tournament)	5,000,000
Kwechi Energy Limited	4,750,000

Directors' Report

for the year ended 31 December 2015 continued

Beneficiary	Amount (₦)
Financial Reporting Council of Nigeria (FRCN)	4,000,000
University of Jos	3,994,725
SME Merchant Conference	3,000,000
Veepee General Enterprises	2,660,000
Chartered Institute of Bankers of Nigeria	2,500,000
SIFE Foundation Limited	2,500,000
Dragon African Limited	2,449,103
Association of Nigerian Women Academic Doctors	2,000,000
Nigerian American Chambers of Commerce	2,000,000
Market Cleaning Campaign	1,761,600
Swift Think: Edge Series Student Summit	1,500,000
AIESEC National Training	1,500,000
Lost in Lagos Business Forum	1,200,000
International Alliance of Patients Organisations	1,070,000
7 Star Worker Conference	1,000,000
AOL: Women in Journalism Sponsorship	1,000,000
GEM Publication	1,000,000
Havard Business School Alumni Nigeria	1,000,000
The Nigerian Stock Exchange (NSE) 2015 Corporate Challenge	1,000,000
Handicraft Empowerment Community	785,000
Inner Beauty Outward Radiance (IBOR)	700,000
Foundation for Global Compact	681,870
VAMA Wave Foundation	600,000
Akarigbo Coronation Anniversary	500,000
Ecologistics Integrated Service: World Environmental Day	500,000
Golden Hearts Touching Lives Initiatives	500,000
Grange School	500,000
Kamdora Limited: Women Supporting Event	500,000
Maharaja Ball Donation	500,000
Nigerian Conservation Foundation: World Environment Day	500,000
Remo Divisional High School	500,000
Women in Management and Business	500,000
Emmanuel Goodness	475,510
Nigerian Alliance for Clean Cook Stoves	460,000
Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN)	400,000
Ambassadors Summit & Branding Services	300,000
Heritage Point Media Limited	300,000
Hope for Girls Empowerment Organisation	300,000
Buharian Culture Organisation	250,000
St Paul Catholic Church	250,000
Kinetic Sports	200,000
Pace Setters	200,000
Prof. Benjamin Osayawe	200,000
Skylak Sports Club of Nigeria	200,000
World Federation Investor	200,000

Beneficiary	Amount (₦)
Yaba College of Technology	180,000
Orphanage House Lafia	167,000
National Youth Service Corps	150,000
Atlantic Hall Educational Trust Council	100,000
Edgewood College	100,000
Joseph Edgar's Kidney Trust Fund	100,000
Julius Akpovire Enyeh	50,000
Others	1,864,294
Total	**202,561,950**

j. Events after the reporting period

There were no events after the balance sheet date which could have a material effect on the financial position of the Group as at 31 December 2015 and profit attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

k. Human Resources

Employment of Disabled Persons

The Group operates a non-discriminatory policy on recruitment. Applications by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to those of other employees. Currently, the Group has four persons on its staff list with physical disabilities.

Health, Safety and Welfare at Work

The Group continues to prioritise staff health and welfare. The Group retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Group's expense. A contributory pension fund scheme, in line with the Pension Reform Act 2014 (as amended), exists for employees of the Group.

Employee Code of Business Conduct and Ethics

Employees are bound by the code of business conduct and ethics signed at the time of employment.

Diversity in Employment

The number and percentage of women employed in the Group during the year ended 31 December 2015 and the comparative year regarding total workforce is as follows:

	2015				
	Number			%	
	Male	Female	Total	Male	Female
Employees	2,545	1,598	4,143	61	39

	2014				
	Number			%	
	Male	Female	Total	Male	Female
Employees	**2,752**	**1,678**	**4,430**	**62**	**38**

Directors' Report

for the year ended 31 December 2015 continued

Gender analysis of Top Management of the Group is as follows:

	2015				
	Number			%	
	Male	Female	Total	Male	Female
Assistant General Manager (AGM)	23	6	29	38	10
Deputy General Manager (DGM)	15	6	21	25	10
General Manager (GM)	7	3	10	12	5
Total	45	15	60	75	25

	2014				
	Number			%	
	Male	Female	Total	Male	Female
Assistant General Manager (AGM)	23	7	30	33	10
Deputy General Manager (DGM)	19	8	27	28	12
General Manager (GM)	9	3	12	13	4
Total	51	18	69	74	26

Gender analysis of the Board of the Company is as follows:

	2015				
	Number			%	
	Male	Female	Total	Male	Female
Managing Director	1	-	1	10	-
Other Executive Directors	-	-	-	-	-
Non-Executive Directors	9	-	9	90	-
Total	10	-	10	100	-

	2014				
	Number			%	
	Male	Female	Total	Male	Female
Managing Director	1	-	1	10	-
Other Executive Directors	-	-	-	-	-
Non-Executive Directors	9	-	9	90	-
Total	10	-	10	100	-

I. Employee Involvement and Training

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Group. This is achieved through regular meetings between management and staff of the Group.

The Group has in-house training facilities complemented with additional facilities from educational institutions (local and offshore) for the training of its employees.

m. Customer Complaints

FCMB Group Plc is committed to ensuring an effective and responsive complaints management process hence the banking subsidiary has put in place a complaints management policy to ensure that the causes of complaints are fully addressed and to assure stakeholders and members of the public that their concerns will be handled in a fair and appropriate manner. Customers' complaints are lodged with the Complaints Officer at complaints@fcmb.com for necessary action. The banking subsidiary had pending complaints of 64 at the beginning of the year and received additional 46,620 (2014: 50,096) during the year ended 31 December 2015, of which 46,572 (2014: 49,897) complaints were resolved (inclusive of pending complaints brought forward) and 85 (2014: 64) complaints remained unresolved and pending with the Bank as at the end of the reporting year. The total amount resolved and refunded was ₦485.55 million (2014: ₦668.64 million) while the total disputed amount in cases which remained unresolved stood at ₦2.33 billion (2014: ₦11.7 billion). These unresolved complaints were referred to the Central Bank of Nigeria for intervention. The Directors are of the opinion that these complaints will be resolved without adverse consequences to the Banking subsidiary. No provisions are therefore deemed necessary for these claims.

	Number		Amount claimed (₦'000)		Amount refunded (₦'000)	
Description	**2015**	2014	**2015**	2014	**2015**	2014
Pending complaints B/F	**64**	28	**-**	-	**-**	-
Received complaints	**46,620**	50,096	**2,910,339**	12,608,409	**-**	-
Total complaints	**46,684**	50,124	**2,910,339**	12,608,409	**-**	-
Resolved complaints	**46,572**	49,897	**582,186**	872,282	**485,550**	668,644
Unresolved complaints escalated to CBN for intervention	**27**	163	**2,328,153**	11,736,127	**395,166**	379,264
Unresolved complaints pending with the bank C/F	**85**	64	**-**	-	**-**	-

n. Disclosure

The Directors' fees for the financial year ending 31 December 2016 shall be fixed at ₦200,000,000 only and a resolution to approve shall be proposed at the Annual General Meeting.

o. Auditors

KPMG Professional Services has indicated its willingness to continue in office as auditors in accordance with section 357 (2) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004.

By Order of the Board

Mrs Funmi Adedibu
Company Secretary
44 Marina
Lagos State
Nigeria

FRC/2014/NBA/00000005887

11 March 2016

Statement of Directors' Responsibilities in Relation to the Financial Statements

for the year ended 31 December 2015

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 50 to 186 that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and 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 of Nigeria 2004 and relevant Central Bank of Nigeria regulations.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

Signed on behalf of the Board of Directors by:

Dr Jonathan Long
Chairman

FRC/2013/IODN/00000001433

11 March 2016

Peter Obaseki
Managing Director

FRC/2014/CIBN/00000006877

11 March 2016

Audit Committee Report

For the financial year ended 31 December 2015 to the members of FCMB Group Plc.

In compliance with Section 359 (6) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004 and the Central Bank of Nigeria's Code of Corporate Governance, we have reviewed the Audit Report for the year ended 31 December 2015 and, hereby, state as follows:

- The scope and planning of the audit were adequate in our opinion;
- The account and reporting policies of the Group conformed with the statutory requirements and agreed ethical practices;
- The internal control system was constantly and effectively monitored;
- The whistle blowing channel, run by an external and independent third party, was found adequate;
- The external auditor's management controls report received a satisfactory response from Management; and
- The gross value of related party loans as at 31 December 2015 was ₦2.03 billion (₦9.89 billion as at 31 December 2014). All related party loans are performing.

Alhaji S B Daranijo
Chairman, Audit Committee

FRC/2014/ICSAN/00000007262

10 March 2016

The Audit Committee comprises the following Non-Executive Directors and Shareholders' representatives:

1. Alhaji S B Daranijo
   Chairman/Shareholders' representative
2. Evangelist Akinola Soares
   Shareholders' representative
3. Alhaji B A Batula
   Shareholders' representative
4. Mr Bismarck Rewane
   Non-Executive Director
5. Mr Olusegun Odubogun
   Non-Executive Director
6. Mr Olutola Mobolurin
   Non-Executive Director

The Group's Head, Internal Audit, acts as secretary to the Committee.

Independent Auditor's Report

To the Members of FCMB Group Plc

Report on the Financial Statements

We have audited the accompanying financial statements of FCMB Group Plc ("the Company") and its subsidiary companies (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2015, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 186.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of FCMB Group Plc ("the Company") and its subsidiaries (together "the Group") as at 31 December 2015, and of the Group and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria, 2011, the Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books and the Group's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank of Nigeria circular BSD/1/2004

i. The Company did not pay any penalty in respect to contraventions of the Banks and Other Financial Institutions Act during the year ended 31 December 2015. However, the Group paid penalties in respect of the contraventions of the Banks and Other Financial Institutions Act during the year ended 31 December 2015. Details of these contraventions and penalties paid are as disclosed in note 45 to the financial statements.

ii. Related party transactions and balances are disclosed in note 43 of the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Signed:

Adetola P Adeyemi, FCA
FRC/2012/ICAN/00000000620
For: KPMG Professional Services
Chartered Accountants

17 March 2016
Lagos, Nigeria

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2015

	Note	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Gross earnings		**152,507,947**	148,637,409	**4,200,904**	6,672,890
Interest income	7	**123,583,565**	117,984,048	**536,426**	438,029
Interest expense	8	**(59,646,733)**	(45,350,521)	**-**	-
Net interest income		**63,936,832**	72,633,527	**536,426**	438,029
Fee and commission income	10	**18,998,969**	16,906,087	**-**	-
Fee and commission expense	10	**(3,164,615)**	(2,468,185)	**-**	-
Net fee and commission income		**15,834,354**	14,437,902	**-**	-
Net trading income	11	**940,285**	765,819	**-**	-
Net income from other financial instruments at fair value through profit or loss	12	**149,846**	131,428	**-**	-
Other income	13	**8,835,282**	12,850,027	**3,664,478**	6,234,861
		9,925,413	13,747,274	**3,664,478**	6,234,861
Net impairment loss on financial assets	9	**(15,033,459)**	(10,639,877)	**(689,742)**	-
Personnel expenses	14	**(25,487,681)**	(27,803,903)	**(238,360)**	(306,667)
Depreciation and amortisation expenses	15	**(4,363,016)**	(3,590,762)	**(23,260)**	(20,225)
General and administrative expenses	16	**(24,845,639)**	(23,608,396)	**(401,085)**	(388,760)
Other expenses	17	**(12,282,705)**	(11,300,982)	**(300,171)**	(506,361)
Results from operating activities		**7,684,099**	23,874,783	**2,548,286**	5,450,877
Share of post tax result of associate	28	**84,565**	68,110	**-**	-
Profit before minimum tax and income tax		**7,768,664**	23,942,893	**2,548,286**	5,450,877
Minimum tax	19	**(900,532)**	-	**-**	-
Income tax expense	19	**(2,107,466)**	(1,809,636)	**(25,231)**	(53,969)
Profit for the year		**4,760,666**	22,133,257	**2,523,055**	5,396,908
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit liability		**-**	(272,017)	**-**	-
Related tax		**-**	261,400	**-**	-
		-	(10,617)	**-**	-
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		**498,494**	1,065,152	**-**	-
Net change in fair value of available-for-sale financial assets		**1,717,374**	(600,963)	**-**	-
		2,215,868	464,189	**-**	-

	Note	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Other comprehensive income for the year, net of tax		**2,215,868**	453,572	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,976,534**	22,586,829	**2,523,055**	5,396,908
Profit attributable to:					
Equity holders of the Company		**4,760,666**	22,133,257	**2,523,055**	5,396,908
Non-controlling interests		**-**	-	**-**	-
		4,760,666	22,133,257	**2,523,055**	5,396,908
Total comprehensive income attributable to:					
Equity holders of the Company		**6,976,534**	22,586,829	**2,523,055**	5,396,908
Non-controlling interests		**-**	-	**-**	-
		6,976,534	22,586,829	**2,523,055**	5,396,908
Basic and diluted earnings per share (Naira)	*18*	**0.24**	1.12	**0.13**	0.27

The Notes are an integral part of these consolidated financial statements.

Consolidated and Separate Statements of Financial Position

as at 31 December 2015

		GROUP		COMPANY	
	Note	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
ASSETS					
Cash and cash equivalents	*20*	**180,921,698**	126,293,809	**7,231,196**	4,056,165
Restricted reserve deposits	*21*	**125,552,318**	146,105,573	**-**	-
Non-pledged trading assets	*22*	**1,994,350**	741,917	**-**	-
Derivative assets held for risk management	*23*	**1,479,760**	4,503,005	**-**	-
Loans and advances to customers	*24*	**592,957,417**	617,979,790	**-**	-
Assets pledged as collateral	*26*	**51,777,589**	53,812,420	**-**	-
Investment securities	*25*	**135,310,147**	148,286,830	**2,013,621**	2,828,220
Investment in subsidiaries	*27*	**-**	-	**118,246,361**	118,756,103
Investment in associates	*28*	**731,964**	647,399	**418,577**	418,577
Property and equipment	*29*	**29,970,738**	28,391,807	**41,263**	56,337
Intangible assets	*30*	**8,968,539**	8,348,310	**1,845**	2,808
Deferred tax assets	*31*	**8,166,241**	8,166,241	**-**	-
Other assets	*32*	**21,703,415**	26,087,683	**1,425,398**	5,452,080
Total assets		**1,159,534,176**	1,169,364,784	**129,378,261**	131,570,290
LIABILITIES					
Derivative liabilities held for risk management	*23*	**1,317,271**	4,194,185	**-**	-
Deposits from banks	*33*	**5,461,038**	4,796,752	**-**	-
Deposits from customers	*34*	**700,216,706**	733,796,796	**-**	-
Borrowings	*35*	**113,700,194**	99,540,346	**-**	-
On-lending facilities	*36*	**33,846,116**	14,913,521	**-**	-
Debt securities issued	*37*	**49,309,394**	26,174,186	**-**	-
Retirement benefit obligations	*38*	**50,544**	115,056	**-**	-
Current income tax liabilities	*19(v)*	**3,497,954**	4,363,544	**25,231**	114,246
Deferred tax liabilities	*31*	**68,438**	41,487	**-**	-
Other liabilities	*39*	**89,675,234**	121,063,480	**1,003,037**	678,428
Total liabilities		**997,142,889**	1,008,999,353	**1,028,268**	792,674

		GROUP		COMPANY	
	Note	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
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*	**17,181,437**	26,238,677	**3,056,224**	5,483,847
Other reserves	*41(b)*	**19,916,081**	8,832,985	**-**	-
		162,391,287	160,365,431	**128,349,993**	130,777,616
Total liabilities and equity		**1,159,534,176**	1,169,364,784	**129,378,261**	131,570,290

The financial statements and the accompanying Notes and significant accounting policies were approved by the Board of Directors on 11 March 2016 and signed on its behalf by:

Dr Jonathan A D Long
Chairman
FRC/2013/IODN/00000001433

Peter Obaseki
Managing Director
FRC/2014/CIBN/00000006877

Patrick Iyamabo
Chief Financial Officer
FRC/2013/ICAN/00000003316

Consolidated and Separate Statements of Changes in Equity

GROUP

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Statutory reserve ₦'000	SSI reserve ₦'000	Actuarial reserve ₦'000	Translation reserve ₦'000	Available-for-sale reserve ₦'000	Treasury shares ₦'000	Regulatory risk reserve ₦'000	Total equity ₦'000
Balance at 1 January 2014	**9,901,355**	**115,392,414**	**13,109,779**	**2,284,984**	**-**	**10,617**	**12,509**	**272,991**	**(8,625)**	**2,730,705**	**143,706,729**
Profit	-	-	19,065,650	3,067,607	-	-	-		-	-	22,133,257
Other comprehensive income, net of tax	-	-	-	-	-	(10,617)	1,065,152	(600,963)	-	-	453,573
Total comprehensive income for the year	**-**	**-**	**19,065,650**	**3,067,607**	**-**	**(10,617)**	**1,065,152**	**(600,963)**	**-**	**-**	**22,586,829**
Transactions with owners recorded directly in equity											
Elimination of treasury shares	-	-	-	-	-	-	-	-	8,625	-	8,625
Dividend paid	-	-	(5,940,813)	-	-	-	-	-	-	-	(5,940,813)
Recognised reserve due to consolidated subsidiary	-	-	4,061	-	-	-	-	-	-	-	4,061
Total contributions by and distributions to equity holders	**-**	**-**	**(5,936,752)**	**-**	**-**	**-**	**-**	**-**	**8,625**	**-**	**(5,928,127)**
Balance at 31 December 2014	**9,901,355**	**115,392,414**	**26,238,677**	**5,352,591**	**-**	**-**	**1,077,661**	**(327,972)**	**-**	**2,730,705**	**160,365,431**

GROUP

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Statutory reserve ₦'000	SSI reserve ₦'000	Actuarial reserve ₦'000	Translation reserve ₦'000	Available-for-sale reserve ₦'000	Treasury shares ₦'000	Regulatory risk reserve ₦'000	Total equity ₦'000
Profit for the year	-	-	4,098,674	661,992	-	-	-		-	-	4,760,666
Other comprehensive income, net of tax	-	-	-	-	-	-	498,494	1,717,374	-	-	2,215,868
Total comprehensive income for the year	**-**	**-**	**4,098,674**	**661,992**	**-**	**-**	**498,494**	**1,717,374**	**-**	**-**	**6,976,534**
Contributions by and distributions to equity holders											
Transfer from regulatory risk reserve	-	-	(8,205,236)	-	-	-	-	-	-	8,205,236	-
Dividend paid	-	-	(4,950,678)	-	-	-	-	-	-	-	(4,950,678)
Total contributions by and distributions to equity holders	**-**	**-**	**(13,155,914)**	**-**	**-**	**-**	**-**	**-**	**-**	**8,205,236**	**(4,950,678)**
Balance at 31 December 2015	**9,901,355**	**115,392,414**	**17,181,437**	**6,014,583**	**-**	**-**	**1,576,155**	**1,389,402**	**-**	**10,935,941**	**162,391,287**

Consolidated and Separate Statements of Changes in Equity continued

COMPANY

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Statutory reserve ₦'000	SSI reserve ₦'000	Actuarial reserve ₦'000	Translation reserve ₦'000	Available-for-sale reserve ₦'000	Treasury shares ₦'000	Regulatory risk reserve ₦'000	Total equity ₦'000
Balance at 1 January 2014	**9,901,355**	**115,392,414**	**6,027,752**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**131,321,521**
Profit for the year	-	-	5,396,908	-	-	-	-	-	-	-	5,396,908
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**5,396,908**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,396,908**
Transactions with owners recorded directly in equity											
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	(5,940,813)	-	-	-	-	-	-	-	(5,940,813)
Total contributions by and distributions to equity holders	**-**	**-**	**(5,940,813)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,940,813)**
Balance at 31 December 2014	**9,901,355**	**115,392,414**	**5,483,847**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**130,777,616**

COMPANY

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Statutory reserve ₦'000	SSI reserve ₦'000	Actuarial reserve ₦'000	Translation reserve ₦'000	Available-for-sale reserve ₦'000	Treasury shares ₦'000	Regulatory risk reserve ₦'000	Total equity ₦'000
Profit for the year	-	-	2,523,055	-	-	-	-	-	-	-	2,523,055
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**2,523,055**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,523,055**
Contributions by and distributions to equity holders											
Transfer from regulatory risk reserve	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	(4,950,678)	-	-	-	-	-	-	-	(4,950,678)
Total contributions by and distributions to equity holders	**-**	**-**	**(4,950,678)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,950,678)**
Balance at 31 December 2015	**9,901,355**	**115,392,414**	**3,056,224**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**128,349,993**

Consolidated and Separate Statements of Cash Flows

for the year ended 31 December 2015

		GROUP		COMPANY	
	Note	2015 ₦'000	2014 ₦'000	2015 ₦'000	2014 ₦'000
Cash flows from operating activities					
Profit for the year		**4,760,666**	22,133,257	**2,523,055**	5,396,908
Adjustments for:					
Net impairment loss on financial assets	*9*	**15,033,459**	10,639,877	**689,742**	-
Fair value gain on financial assets held for trading	*48(i)*	**(3,143)**	(889)	**-**	-
Net income from other financial instruments at fair value through profit or loss	*12*	**(149,846)**	(131,428)	**-**	-
Depreciation and amortisation	*15*	**4,363,016**	3,590,762	**23,260**	20,225
Gain on transfer of subsidiary	*13*	**-**	(40,000)	**-**	(40,000)
Gain on disposal of property and equipment	*13*	**(231,328)**	(332,350)	**(108)**	(165)
Gain on disposal of investment securities	*13*	**(2,584,955)**	-	**(1,915,875)**	-
Share of profit of associates	*28*	**(84,565)**	(68,110)	**-**	-
Foreign exchange gains	*13*	**(5,431,496)**	(9,769,431)	**(201,710)**	(320,163)
Net interest income	*48(ix)*	**(63,936,832)**	(72,633,527)	**(536,426)**	(438,029)
Dividend income	*13*	**(532,552)**	-	**(218,510)**	(70,102)
Tax expense	*19*	**3,007,998**	1,809,636	**25,231**	53,969
		(45,789,578)	(44,802,203)	**388,659**	4,602,642
Changes in operating assets and liabilities					
Net (increase)/decrease restricted reserve deposits	*48(x)*	**20,553,255**	(72,632,477)	**-**	-
Net (increase)/decrease non-pledged trading assets	*48(xii)*	**(1,237,693)**	2,179,441	**-**	-
Net (increase)/decrease loans and advances to customers	*48(xiii)*	**25,022,373**	(167,446,825)	**-**	-
Net (increase)/decrease in property and equipment		**-**	-	**-**	(34,674)
Net (increase)/decrease in other assets	*48(xiv)*	**4,384,268**	(1,595,325)	**4,026,682**	2,227,806
Net (increase)/decrease derivative assets held	*48(xi)*	**3,420,397**	(2,805,399)	**-**	-
Net increase/(decrease) in deposits from banks	*48(xv)*	**664,286**	4,796,752	**-**	-
Net increase/(decrease) in deposits from customers	*48(xvi)*	**(33,580,090)**	18,582,604	**-**	-
Net increase in on-lending facilities	*48(xvii)*	**18,359,414**	14,913,521	**-**	-
Net increase/(decrease) in derivative liabilities held	*48(xviii)*	**(3,278,455)**	26,174,186	**-**	-
Net increase/(decrease) in other liabilities and others	*48(vii)*	**(33,094,394)**	36,787,786	**309,057**	578,037
		(44,576,217)	(185,847,939)	**4,724,398**	7,373,811

		GROUP		COMPANY	
	Note	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Interest received	*48(ii)*	**128,810,492**	124,724,717	**484,314**	436,694
Interest paid	*48(iii)*	**(74,313,914)**	(50,147,105)	**-**	-
Dividends received	*13*	**532,552**	467,415	**218,510**	70,102
VAT paid	*48(iv)*	**(770,249)**	(1,474,442)	**-**	-
Income taxes paid	*19(v)*	**(3,883,168)**	(3,854,856)	**(114,246)**	-
Net cash generated/(used in) from operating activities		**5,799,496**	(116,132,210)	**5,312,976**	7,880,607
Cash flows from investing activities					
Investment in subsidiaries	*27*	**-**	-	**(180,000)**	-
Purchase of interests in associates	*28*	**-**	(10,777)	**-**	(10,777)
Purchase of property and equipment and intangible assets	*29,30*	**(6,992,056)**	(8,242,744)	**(7,223)**	(31,125)
Proceeds from sale of property and equipment and intangible assets	*48(viii)*	**89,004**	1,292,314	**108**	165
Acquisition of investment securities	*48(v)*	**(85,257,087)**	(150,405,709)	**(440,698)**	-
Proceeds from sale and redemption of investment securities	*48(v)*	**106,775,458**	139,576,195	**3,434,934**	-
Net cash generated/(used in) from investing activities		**14,615,319**	(17,790,721)	**2,807,121**	(41,737)
Cash flows from financing activities					
Dividends paid		**(4,950,678)**	(5,940,813)	**(4,950,678)**	(5,940,813)
Proceeds from long-term borrowing	*35(b)*	**28,781,222**	45,066,628	**-**	-
Repayment of long-term borrowing	*35(b)*	**(14,742,847)**	(13,313,964)	**-**	-
Proceeds from debt securities issued	*37(b)*	**23,135,208**	26,000,000	**-**	-
Net cash generated from financing activities		**32,222,905**	51,811,851	**(4,950,678)**	(5,940,813)
Net increase/(decrease) in cash and cash equivalents		**52,637,721**	(82,111,080)	**3,169,419**	1,898,057
Cash and cash equivalents at start of year	*20*	**126,293,809**	199,700,305	**4,056,165**	2,150,389
Effect of exchange rate fluctuations on cash and cash equivalents held	*48(vi)*	**1,990,168**	8,704,584	**5,612**	7,719
Cash and cash equivalents at end of year	*20*	**180,921,698**	126,293,809	**7,231,196**	4,056,165

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015

1 Reporting Entity

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

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

FCMB Group Plc is a company domiciled in Nigeria. The address of the Company's registered office is 44 Marina Street, Lagos Island, Lagos. These audited reports for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the 'Group').

The consolidated financial statements were authorised for issue by the Board of Directors on 11 March 2016.

2 Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated 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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the 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 of Nigeria, and relevant Central Bank of Nigeria circulars. The IFRS accounting policies have been consistently applied to all periods presented.

(ii) Basis of measurement

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

- Non-derivative financial instruments, at fair value through profit or loss are measured at fair value.
- Available-for-sale financial assets are measured at fair value through other comprehensive income (OCI). However, when the fair value of the available-for-sale financial assets cannot be measured reliably, they are measured at cost less impairment.
- Financial assets and liabilities held for trading are measured at fair value.
- Derivative financial instruments are measured at fair value.

(iii) Functional and presentation currency

These consolidated 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 judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, 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 judgements 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 recognised in the period in which the estimate is revised and in any future periods affected.

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

(b) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has the rights to, variable returns from its involvement with the entity 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. An 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, as a special purpose entity to raise capital from the Nigerian Capital Markets or other international markets 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 profit or loss. If the Group retains any interests in the previous subsidiary, then such interests are measured at fair value at the date that control is lost. Subsequently that retained interests is accounted for as an equity-accounted investee or in accordance with the Group's accounting for financial instruments.

(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.

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(v) Transactions eliminated on consolidation

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

(c) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each 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 amortised 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 retranslated 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 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 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 (translation reserve) in equity. However, if the foreign operation is a partly owned subsidiary, then the relevant proportion of the transaction difference is allocated to non-controlling interests. 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 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 monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and 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 are recognised in 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 comprehensive income include:

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

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

(e) Fees and Commission

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

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

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

(f) Net Trading Income

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

(g) Net Income from Other Financial Instruments at Fair Value Through Profit or Loss

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

(h) Dividend Income

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

(i) Lease Payments

(i) Lease payments – Lessee

Payments made under operating leases are recognised in 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

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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 capitalised 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 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 tax. Company income tax is assessed at 30% statutory rate of total profit whereas Education tax is computed as 2% of assessable profit while NITDA tax is a 1% levy on Profit Before Tax of the Company and Group.

Current income tax is recognised as an expense for the period and adjustments to past years except to the extent that current tax related 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 investment).

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 Group evaluates positions stated in tax returns, ensuring information disclosed is in agreement with the underlying tax liability, which has been adequately provided for in the financial statement.

(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.

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 Company are recognised at the same time as the liability to pay the related dividend is recognised. These amounts are generally recognised in profit or loss because they generally relate to income arising from transactions that were originally recognised in 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 position and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement 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 securities on the date that they are originated. All other financial assets and 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 transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss. Subsequent recognition of financial assets and liabilities is at amortised cost or fair value.

(ii) Classification

Financial assets

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

- loans and receivables;
- held to maturity;
- available-for-sale; and
- 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 3(m) (n) and (p).

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Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

(iii) Derecognition

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 a 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 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 the 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 legal 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 the 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 maximise the use of relevant observable inputs and minimise 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 the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data observable from markets. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the instrument 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

Assets classified as loan and advances and held-to-maturity investment securities

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

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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 income statement. 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 collateralised 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 profit or loss.

Assets classified as available for sale

The Group assesses at each date of the consolidated statement of financial position 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. 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 profit or loss – is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. 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 profit or loss, the impairment loss is reversed through the consolidated income statement. 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 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 and Group's day-to-day operations. They are calculated as a fixed percentage of the banking subsidiary's deposit liabilities.

(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.

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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 profit or loss. All changes in fair value are recognised as part of net trading income in 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 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 derecognition (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 to customers and others include:

- those classified as loan and receivables;
- finance lease receivables; and
- 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 transfers 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 a significant 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; and
- sales or reclassifications 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 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.

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Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in 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 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 to 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 profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with fair values changes recognised in 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.

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

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

(iii) Depreciation

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

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

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

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

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

(iv) Derecognition

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

(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 profit or loss; goodwill on acquisition of subsidiaries is included in intangible assets.

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 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 or that are available for use, 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

Notes to the Consolidated and Separate Financial Statements

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independent from other assets and groups. Impairment losses are recognised in 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, On-Lending Facilities and Borrowings

Deposits, debt securities issued, onlending facilities and borrowings are the Group's sources of funding. When the Group sells a financial asset and simultaneously enters into a 'repo' or 'lending' agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, 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 placement. 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 fails 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) Retirement benefit obligations

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. Obligations for contributions to defined contribution plans are recognised as personnel expenses in 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) 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. If benefits are payable more than 12 months after the reporting date, then they are discounted.

(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.

(aa) Earnings Per Share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(ab) Segment Reporting

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

(ac) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

(i) Equity method in separate financial statements (amendments IAS 27)

The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in subsidiaries, associates and joint ventures.

The amendment is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted. The amendments apply retrospectively.

(ii) IFRS 15 – revenue from contracts with customers

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

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

The Group has assessed and evaluated the potential effect of this standard. Given the nature of the Group's operations, this standard will have no impact on the Group's financial statements.

(iii) IFRS 9 – financial instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

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

3 Financial Risk Management

(a) Introduction and Overview

Risk management at FCMB Group is critical to the attainment of the Group's strategic business objectives. It provides the mechanism to identify and explore growth opportunities and manage inherent risks in operating and business environments, ensure compliance with corporate governance standards and regulatory stipulations. Our risk management practices are integrated, structured, enterprise-wide and continuous across the Group for identifying and deciding on appropriate responses to, and reporting on, opportunities and threats that may affect the achievement of the strategic business objectives. Based on its strategic business and operational objectives, the Group is exposed to a wide range of risks such as credit, liquidity, market, operational, strategic and regulatory risks and has put in place a robust risk management framework for the proactive identification, assessment, measurement and management of such risks, including a capital management policy that ensures it has enough capital to support its level of risk exposures while also complying with the regulatory requirements. The framework seeks to strengthen the administration and supervision of the Group's enterprise risk management and ensure that the Group's corporate governance principles, risk philosophy and culture, risk appetite and risk management processes are implemented in line with the Board's expectations. It also provides management with clear, comprehensive and unbiased analysis of the adequacy, existence and effectiveness of internal controls and risk processes.

Business units and risk exposures

GROUP

Corporate Banking	Business Banking (Commercial & SME)	Retail Banking	Investment Banking	Trustees
Credit risk: High	Credit risk: Medium	Credit risk: Medium	Credit risk: Low	Credit risk: Low
Operational risk: High	Operational risk: Medium	Operational risk: Low	Operational risk: Medium	Operational risk: Low
Market risk: High	Market risk: Low	Market risk: Low	Market risk: Low	Market risk: Low

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

This chart represents the Group's exposure to each of the risks above, being its major risk exposures. The classification to high, medium and low is based on the capital allocated to the businesses in line with their exposures to these risks.

As implied from this chart, credit risk is the largest risk exposure of the Group, next to this is operational risk and then market risk, which has increased in recent times resulting from Naira devaluation and scarcity of foreign currency required to meet obligations. Corporate Banking, having the largest exposure to credit risk takes most of the capital allocation, followed by Business Banking, Retail Banking, Investment Banking (treasury, brokerage, advisory, asset management businesses, etc.) and Trustees. Despite the presence of counterparty risks, credit risk is low for treasury functions, but market risk, which used to be low because of the nature of instruments traded in Nigeria, is no more so due to the devaluation of the Naira and scarcity of foreign exchange, resulting from the drop in oil price and the high dependence of the Nigerian economy on importation. The Trustee business has the least capital allocation due to low portfolio risk. The Group continues to identify and proactively manage its various risk exposures at the transaction and portfolio levels, making sure that appropriate mitigants are in place for the various balance sheet exposures.

The disclosures here therefore give details of the Group's exposures to these risks and the appropriate policies and processes for managing them accordingly, including a summary of the capital management policy of the Group.

Risk management framework

The Board of FCMB Group has the risk oversight role, setting and approving the risk appetite and other capital management initiatives to be implemented by the Executive Management Committee. The Executive Management Committee coordinates the activities of the sub-committees to provide support to the Board in managing risk and ensuring that capital is adequate, and optimally deployed. The Boards of FCMB Group Plc and its subsidiaries continue to align the business and risk strategy of the Group through a well-articulated risk appetite for all significant risks, and make sure (through appropriate sub-committees) that all risk taking activities are within the set appetite or tolerance, failing which an appropriate remedial action should be taken within a reasonable period. The responsibility for day-to-day management of these risks has been delegated to Executive Managements through its related committees (Risk Management Committee, Management Credit Committee, Asset and Liability Committee, Investment Committee and Executive Management Committee). The Risk Committee focuses on risk governance and provides a strong forward-looking view of risks and their mitigation. The Risk Committee is a sub-committee of the Board and has responsibility for oversight and advises the Board, inter alia, on the Group's risk appetite, tolerance and strategy, systems of risk management, internal control and compliance. Additionally, the Risk Committee ensures the alignment of the reward structures and the maintenance and development of a supportive culture, in relation to the management of risk, which is appropriately embedded through procedures, training and leadership actions. In carrying out its responsibilities, the Risk Committee is closely supported by the Chief Risk Officer and the Chief Financial Officer, together with other business functions within their respective areas of responsibility. In line with global standards, the Group sets its risk tone at the top as this is central to its approach to balancing risk and reward. Personal accountability is reinforced by the Group's values, with staff expected to act with integrity in conducting their duties. Staff are supported by a disclosure line that enables them to raise concerns in a confidential manner. The Group also has in place a suite of mandatory training to ensure a clear and consistent attitude is communicated to staff; mandatory training not only focuses on the technical aspects of risk but also on the Group's attitude towards risk and the behaviours expected by its policies.

The illustration below highlights significant risk exposures of the Group and the respective Board and Executive Management committees responsible for oversight and risk control.

Enterprise risk universe and governance structure

<table>
<tr><th colspan="10">FCMB Risk Universe and Responsibility Matrix</th></tr>
<tr><td>Risk universe</td><td>Credit risk</td><td>Concentration risk</td><td>Market risk</td><td>Liquidity risk</td><td>Operational risk</td><td>Strategic risk</td><td>Legal risk</td><td>Reputational risk</td><td>Compliance risk</td></tr>
<tr><td>Primary risk owner</td><td colspan="2">Chief Risk Officer</td><td colspan="2">Treasurer</td><td>Head of Operations and Technology Division</td><td>Head of Strategy</td><td>General Counsel</td><td>Head of Corporate Comm/ Brand Marketing</td><td>Chief Compliance Officer</td></tr>
<tr><td>Secondary risk owner</td><td colspan="8">Chief Risk Officer</td><td>Chief Compliance Officer</td></tr>
<tr><td rowspan="2">Management committee</td><td colspan="2">Management Credit Committee</td><td colspan="2">Assets and Liability Management Committee</td><td colspan="2">Risk Management Committee</td><td colspan="3">Executive Management Committee</td></tr>
<tr><td colspan="9">Risk Management Committee</td></tr>
<tr><td rowspan="2">Board committee</td><td colspan="2">Board Credit Committee</td><td colspan="6">Board Risk and Audit and Finance Committee</td><td>Board of Directors</td></tr>
<tr><td colspan="9">Board of Directors</td></tr>
</table>

A three line of defence system is in place for the management of enterprise risks as follows:

(i) Oversight function by the Board of Directors and Executive Management and the primary responsibility of the business lines and process owners within the Group for establishing an appropriate risk and control environment in order to align risk management with business objectives.

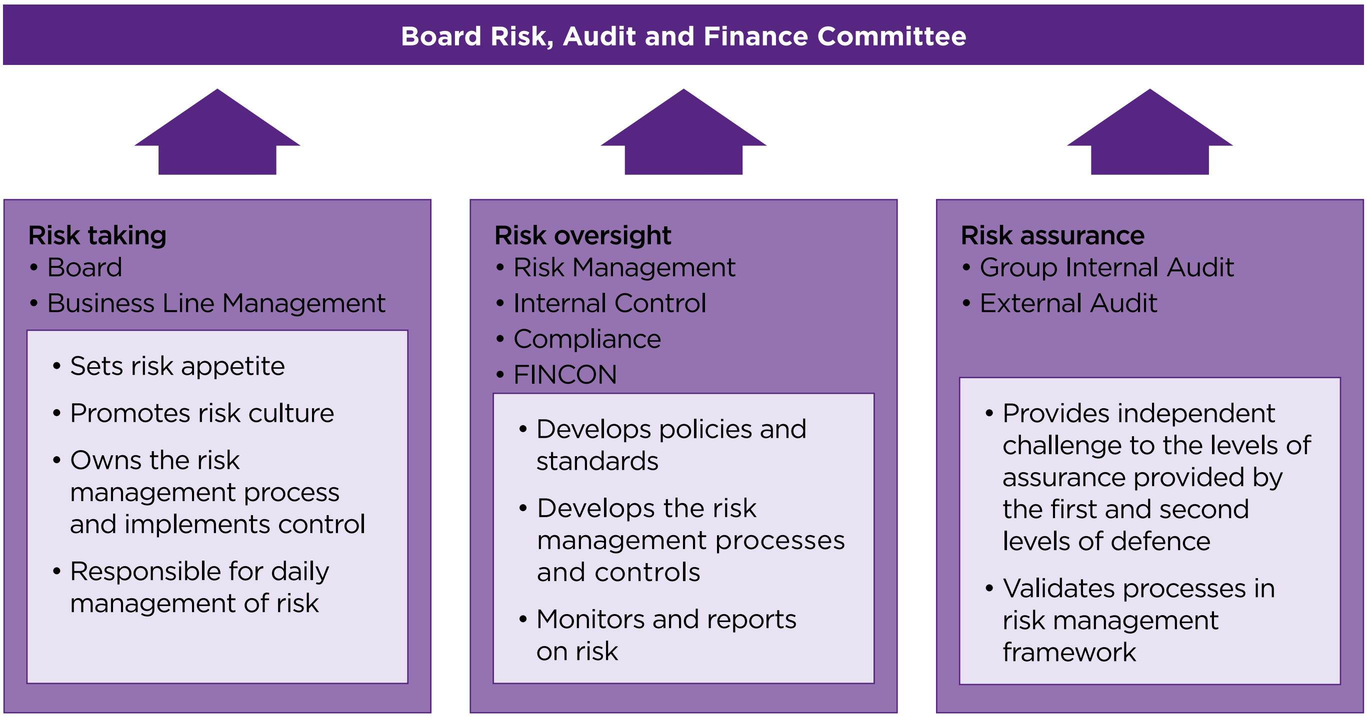
(ii) Independent control function over the business processes and related risks to ensure that the business and process owners operate within defined appetite and approved policies and procedures. It is provided by functions such as risk management, internal control, compliance, and finance. These departments develop policies and procedures, risk management processes and controls, monitor and report on risks accordingly for prompt decision-making.

(iii) Independent assurance to the Board of Directors on the effective implementation of the risk management framework and validates the risk measurement processes. There are two complementary parts to this – the internal and external audits.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

Details of the Group's three lines of defence mechanism is described below:



First line of defence

(a) Board level

I. The Board of Directors sets the appetite for risk and ensures that senior management and individuals responsible for managing risks possess sound expertise and knowledge to undertake risk management functions within the Group.

II. The Board Risk, Audit and Finance Committee (BRAFC) and, as necessary, the subsidiaries' risk committees provide direct oversight for enterprise risk management and act on behalf of the Board on all risk management matters. The BRAFC ensures that all decisions of the Board on risk management are fully implemented and risk exposures are in line with agreed risk appetite. The committee also reviews the enterprise risk management framework on a periodic basis to ensure its appropriateness and continued usefulness in line with the size, complexity and exposure of the Group to risks in addition to compliance with regulatory requirements. The BRAFC meets every quarter.

III. The Board Credit Committee's (BCC) function is more transactional. It approves amendments to the credit policy, changes in target market or risk acceptance criteria, large exposure requests within pre-defined limits, exceptional approvals where necessary, specific provisions, credit write-offs and remedial/corrective measures.

IV. The BRAFC is responsible for assessing the adequacy and scope of internal controls, audit of the financial statements and overall compliance.

(b) Executive management level

I. The Risk Management Committee (RMC) is a management committee, which reports to the BRAFC, has direct responsibility for implementing the enterprise risk management framework and related policies approved by the Board. The RMC meets on a periodic basis (monthly) to review all risk exposures (including Key Risk Indicators, credit portfolio reports, market risk exposures, etc.) and recommends risk mitigating strategies and actions. The RMC is also responsible for portfolio planning, capital management and providing oversight for all enterprise risk management initiatives.

II. The Management Credit Committee (MCC) appraises and approves loans and other credit related transactions as stated in the credit policy. The committee ensures full compliance with the Board's approved credit policy.

III. The Asset and Liability Committee (ALCO) is responsible for managing the composition and pricing of the assets and liabilities, making policy decisions, and providing direction/oversight for market and liquidity risk management practices.

(c) Business unit management level

I. Business Unit Management as a risk originator has first line responsibility and ownership of risks. The business units take on risks within set boundaries and manage the risks taken on a day-to-day basis to protect the Group from the risk of loss.

II. Each business unit has a dedicated Operational Risk Committee responsible for reviewing critical/significant risks and recommending appropriate remedial measures. The committee reviews the outcome of Risk and Control Self-Assessment (RCSA) for their respective business units, major risk exposures as measured by their Key Risk Indicators/Key Control Indicators, agrees action plans and assigns responsibilities for resolving identified issues and exposures.

Second line of defence

(a) Risk Management Division

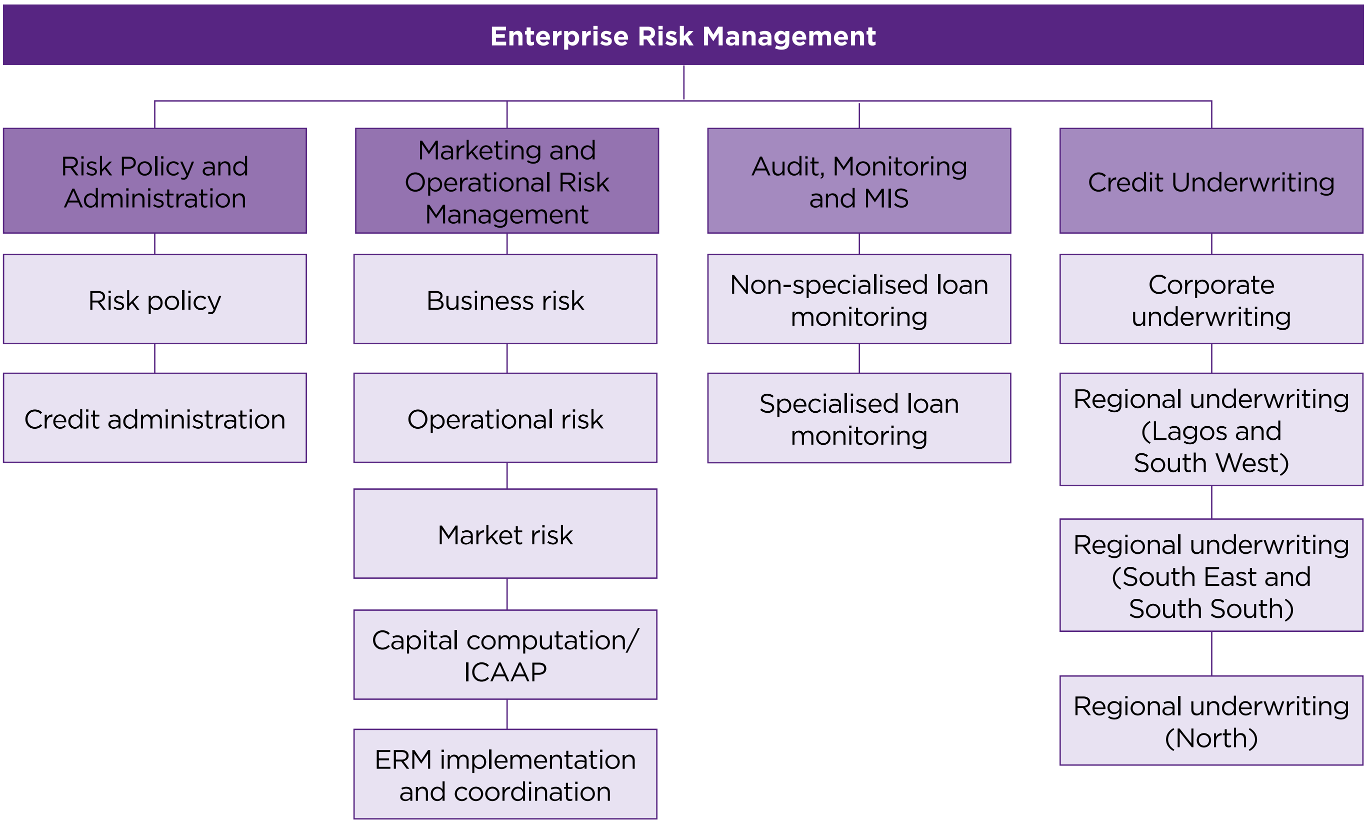
The Risk Management Division is an independent control function with primary responsibility for the following:

- risk strategy – development of the risk management strategy in alignment with overall growth and business strategy of the Group.
- risk compliance – ensuring compliance with risk strategy, risk appetite, regulatory requirements at enterprise and business unit levels.
- risk advisory – identification, assessment, measurement and disclosure of all significant risk exposures and providing recommendations/guidance for risk taking and exposures.
- risk control – proactive management of all risks to minimise losses and capital erosion.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

The Risk Management Division is functionally structured as shown in the chart below:



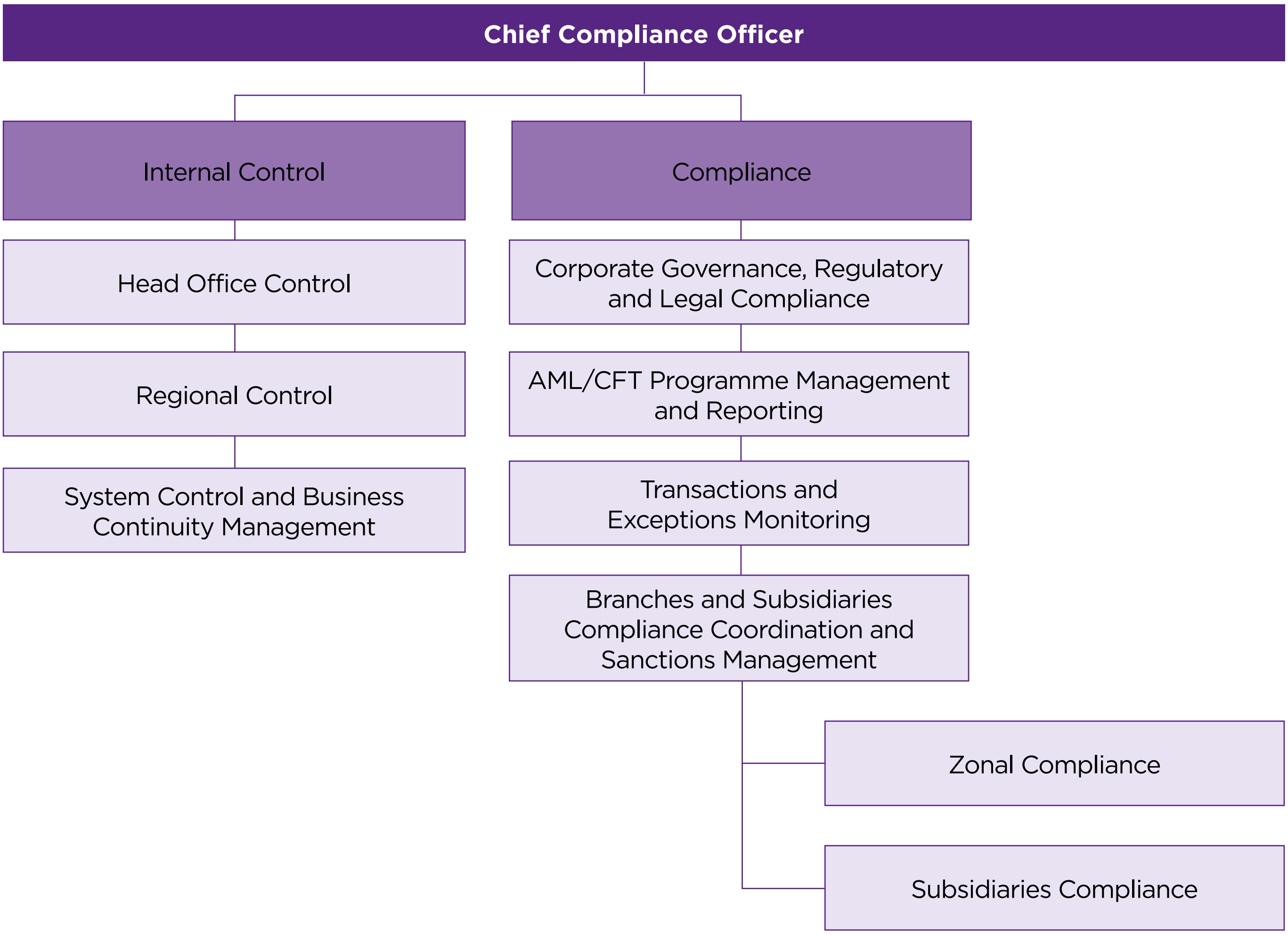
The Group also has robust Collection and Recovery teams, which report to the Executive Managements. The teams complement the post-disbursement monitoring responsibilities through effective enforcement of credit covenants and approval terms. The process automation on the Axe Credit Portal also facilitates proactive credit performance monitoring and collection through the configuration of specific performance triggers for intermittent notifications to Relationship Managers and borrowers in some cases. Where warranted, remedial actions and/or recovery activities are recommended and followed through by this department.

(b) Internal Control and Compliance Division

The Internal Control and Compliance Division is primarily charged with the following:

- The Internal Control and Compliance teams work hand-in-hand. Internal control is directly responsible for enforcing and confirming compliance with Group-wide policies, procedures and internal controls. It conducts routine control checks across all businesses and processes. It is responsible for effective and efficient control environment that ensures that minimal operational losses from frauds, errors, operational gaps, and other irregularities. It monitors control activities and ensure compliance with minimum control standards defined by the Board.
- The Compliance team ensures the Group fully complies with the spirit and letter of laws, corporate governance standards, all regulatory requirements, such as KYC, Anti-Money Laundering (AML) regulations and indeed all requirements of the Central Bank of Nigeria (CBN) and other authorities, such as Nigerian Deposit Insurance Corporation (NDIC), Securities and Exchange Commission and Nigerian Stock Exchange among others.

The Internal Control and Compliance Division is functionally structured as shown in the chart below:



(c) Group Finance Division

- The Group Finance Division develops the Group's strategic and capital plan and clearly outlines the actual and projected capital needs, anticipated capital expenditure and desired level of capital.
- It reviews the Group's capital structure and ensures the desired level of capital adequacy in the Group.
- It drives all activities relating to the Group's responses to any proposed regulatory change that might affect the Group's capital and provides all necessary information on portfolio, product and profitability metrics and any analysis to support the material risk assessment process.

Third line of defence

(a) Internal Audit

Group Internal Audit provides independent assessment of the adequacy of, and compliance with, the Group's established policies and procedures. The function is responsible, among others, for monitoring compliance with the enterprise risk management framework and validating the adequacy and efficacy of risk assessment systems (including rating and measurement models).

(b) External Audit

External auditors apart from establishing whether the financial position reflects a true and fair position of the organisation, also have an important impact on the quality of internal controls through their audit activities and

Notes to the Consolidated and Separate Financial Statements

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recommendations for improvement of internal controls. Our external auditors have been helpful in providing guidance on new developments in risk management, corporate governance and financial accounting and controls.

Risk appetite

Risk appetite is an expression of the level and type of risks that the Group is willing to accept/retain for a given risk-reward ratio in order to achieve its strategic goals. In FCMB, Risk Appetite is set by the Board of Directors and enforced by the Risk Management Division. It is a key component of the risk management framework and central to the annual planning process. This appetite guides all risk creation activities and risks inadvertently assumed by Business Groups.

The Group has a well developed risk appetite, prepared to establish a common understanding among all employees and other stakeholders regarding the desirable risks underlying execution of the Group's strategy. It represents the combined view of the FCMB leadership and the governance bodies. The risk appetite is not intended to 'handcuff' management but to become a benchmark for discussing the implications of pursuing value creation opportunities as they arise. It therefore defines boundary within which the Group is expected to operate when pursuing its strategy, by aligning risk and decision-making. It provides a cornerstone for the Group's Enterprise Risk Management Framework, setting a clear strategic direction and tolerances around controls.

The Group's risk appetite framework and statements have served the following benefits among others:

- sets foundation for the risk culture of the Group;
- helps to communicate the Board's vision in practical terms;
- guides all staff in their decision-making on all risk related activities;
- helps to ensure an alignment between the expectations of the Board and the business; and
- serves as a benchmark for monitoring and reporting of abnormal events or exposures.

Credit risk appetite for 31 December 2015

Risk category	Selected risk appetite metrics	Risk appetite
Credit risk	Credit loss ratio	5%
	Weighted average risk rating of the portfolio	BB- (Probability of default – 3.09%).
	Sector concentration	<=20% of total portfolio in any single sector.
	Exposure limit	**Large exposure** is defined by CBN as 10% of SHF and regulatory aggregate exposure limit for large exposures is set at 800% of SHF. However, the internal limit is defined as 400% of SHF.
		Single obligor limit (SOL): maximum in line with regulatory requirement is 20% of SHF. The Group monitors compliance at transaction level to ensure all large exposures are kept within limit.

In FCMB, all Risk Appetite metrics are tracked and reported monthly to the Risk Management Committee (RMC) in fulfilment of the committee's oversight responsibilities. The Risk Management Division monitors the risk metrics on a more regular basis to make certain that risk expsoures are within the approved boundaries. Exposures that are outside of set boundaries are investigated to understand the underlying causes and consider ways to mitigate or avoid them within the shortest period.

The Group's risk appetite is reviewed at least once a year or more frequently as may be required in the event of significant/material changes in the Group's strategy or in line with regulatory requirements or other external demands.

(b) Credit risk

Credit risk is the risk that the Group may not be able to recover funds and suffer losses because a customer or counterparty is unable or unwilling to meet contractual obligations to the Group when due. It is the most significant risk of the Group.

The Group takes on credit risk through the following principal activities:

- lending/leasing: the Group grants credit to its customers (loans, advances, temporary overdrafts, etc.) or finances a lease or grants an advance or a loan to its employees (staff loans, cash advances, etc.);
- bank guarantees: the Group issues a bond or guarantee (contingent exposure); and
- trading (money market placement, foreign currency trading, etc.) activities: the Group makes money market placements in another bank/institution or engages in trading activities where the exchange of monetary value and transfer of ownership of purchased assets is not simultaneous.

The Group uses its internal ratings framework to assess the risk of default (probability that a customer will become 90 days past due on an obligation) and the risk of loss in the event of default (the estimated size of loss the Group will incur in the event of a default). The Group's credit risk rating systems and processes differentiate exposures in order to highlight those with greater risk factors and higher potential severity of loss. This provides predictive capability for assessing borrower's likelihood of default and the acceptable risk mitigants required to cushion residual credit risks for each transaction.

Our ratings framework measures the following key components:

- financial factors (sales terms/conditions, strength of operations, liquidity and capital in addition to debt service capacity);
- industry: structure, performance, economic sensitivity and outlook;
- management quality (ownership experience, skills and turnover) and company standing (reputation, ownership and credit history); and
- security/collateral arrangements, seniority of debt, ability to cancel debt at the point of default and loss given default (LGD) computation for each security/collateral type supporting the exposure.

The above components help the Group to establish the following:

- Obligor risk rating (ORR), mapped to an estimated probability of default (PD). Although the PD is not based on the Group's internal experience presently, a PD validation is done internally to ensure the rating continues to be predictive of default and differentiates borrowers based on their ability to serve their obligations. This will be further reinforced with a rating and validation/backtesting.
- Facility risk rating (FRR) for each transaction is mapped to Basel II loss given defaults (LGDs) grades.
- Both the ORR and FRR produce the expected loss % (EL) which is the product of the PD and LGD, i.e. EL = f(PD, LDG). The EL represents the risk premium which is applied to transaction pricing under the risk-based pricing.

The use of our internal ratings framework extends beyond credit appraisals/assessments (at the point of origination) to the computation of capital adequacy ratio (CAR), allocation of capital across business lines and computation of economic profit based on Basel II principles.

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The Group's internal rating scale and mapping to external ratings as at 31 December 2015 and 31 December 2014 is shown below:

				2015		2014	
Internal rating scale	**Description**	**External rating scale (Moody's)**	**External rating scale (S&P)**	**PD %**	**PD – decimals**	**PD %**	**PD – decimals**
AAA	**VERY LOW RISK**	Aaa	AAA	0.0185	0.000185	0.0185	0.000185
AA		Aa1	AA+	0.0308	0.000308	0.0308	0.000308
AA-		Aa2	AA	0.0320	0.000320	0.0514	0.000514
A+		Aa3	AA-	0.0435	0.000435	0.0857	0.000857
A		A1	A+	0.0514	0.000514	0.1428	0.001428
A-		A2	A	0.0704	0.000704	0.1785	0.001785
BBB+		A3	A-	0.0857	0.000857	0.2231	0.002231
BBB		Baa1/Baa2	BBB+/BBB	0.1428	0.001428	0.3540	0.003540
BBB-		Baa3/Ba1	BBB-/BB+	0.1785	0.001785	0.5445	0.005445
BB+	**LOW RISK**	Ba2	BB	0.2231	0.002231	1.3750	0.013750
BB		Ba3	BB-	0.3540	0.003540	2.0625	0.020625
BB-		B1	B+	0.5445	0.005445	3.0938	0.030938
CCC+	**ACCEPTABLE RISK**	B2	B	4.6407	0.046407	4.6407	0.046407
CCC		B3	B-	6.1876	0.061876	6.1876	0.061876
CCC-		B3	B-	7.7345	0.077345	7.7345	0.077345
CC+	**MODERATELY HIGH RISK**	Caa1	CCC+	9.2814	0.092814	9.2814	0.092814
CC		Caa2	CCC	10.8283	0.108283	10.8283	0.108283
CC-		Caa2	CCC	12.3750	0.123750	12.3750	0.123750
C+		Caa3	CCC-	13.9221	0.139221	13.9221	0.139221
C	**HIGH RISK**	Caa3	CCC-	54.6900	0.546900	54.6900	0.546900
C-		D	NA	100.0000	1.000000	100.0000	1.000000

Mapping to external scale has been done on the basis of estimated PDs for corporate, commercial, institutional and SME exposures.

Management of credit risk

The Group manages its credit risk through an appropriate measurement, management and reporting process underpinned by sound credit risk systems, policies and well qualified personnel. A combination of risk management tools and policies are adopted to stimulate the creation of quality risk assets. It is managed centrally by various departments within the Risk Management Division who have responsibilities for policy setting and review, credit underwriting, approval, credit administration, monitoring and portfolio management.

The credit risk management function of the Group is achieved through a combination of the following:

- **Appropriate credit policies:** the Group formulates appropriate risk management policies in conjunction with the business units and other stakeholders, covering all the key areas of credit origination, management, collection, portfolio management, etc. while also ensuring compliance with all regulatory requirements. The credit policies reinforce all the Group's lending and credit management decisions.
- **Lending driven by internal rating system:** the Group's lending and policy enforcement is driven by an internal rating system, with scorecards built for different classes of customers such as corporate, commercial, small and medium enterprises (SME), public sector, consumer and project finance. The rating of obligors and transactions has been useful in the quantification of credit risk and underwriting decisions, including serving as a guide for pricing, portfolio management and computation of required capital to support the different business lines.
- **Establishment of credit approval limits and authorities:** there are various approval limits for different kinds of credit exposures and approval authorities, including the various risk committees such as the Management Credit Committee (MCC) and the Board Credit Committee (BCC). These limits are also guided by statutory impositions such as the single obligor limit and other concentrations limits set by the Central Bank of Nigeria (CBN). The Group's single obligor limit is benchmarked to the regulatory cap of 20% of shareholders' funds unimpaired by losses with the internal limits also mapped to obligor risk rating. The sector limits are set based on the perceived riskiness of each sector but the Government exposures are capped at the regulatory limit of 10% of total loans.

  As part of its continuous process improvement and enhanced risk management strategies, the Group procured a robust end-to-end credit application software (Axe Credit Portal) to drive lending activities from origination to recovery. The application provides strong capability for limit setting and tracking at transaction and portfolio levels. This also gives better visibility and MIS capabilities for risk management within the portfolio and improves loan management throughout each facility's lifecycle.

  In order to further strengthen its credit process, the Group has differentiated the approval route for its corporate/commercial credits from retail credits. Credit approval for each area is supervised by very experienced personnel referred to as Senior Credit Underwriters, who also function as Senior Credit Officers and are members of the Management Credit Committee.
- **Loan monitoring and reviews:** the various loans are monitored at both transaction and portfolio levels to ensure a balanced and healthy portfolio in line with the portfolio development and balancing strategy of the Group.
- **Collateral review, monitoring and management:** the Legal department reviews the collateral proposed by customers as part of the credit approval process to determine acceptability of the collateral. Beyond the initial assessment at the point of credit origination, however, the Group also has good collateral management

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policies in place to reduce the risk of loss in the event of default. Our collateral management policy is linked to the internal ratings framework and has helped to reduce the estimated expected loss and capital charge on transactions. The framework provides a risk-based approach to managing the Group's collateral database as it focuses on periodic evaluation of coverage for each facility type. This includes mark to market for stocks and commodities, revaluation benchmarking for properties and acceptable standards for eligibility on all forms of collaterals.

The principal collateral types eligible as security and used primarily to mitigate transaction risk include the following: cash and marketable securities; legal mortgage; all assets debenture; account receivables of obligors rated BB- and above. Other admissible collateral (accepted for comfort only but not eligible as credit risk mitigants) include domiciliation agreements, trust receipts and negative pledges.

Another mitigant used to reduce the risk of credit exposures is master netting agreements with obligors that have investments in liability products so that in the event of default, exposures to the obligor will be settled on a net basis. These agreements are executed by the representatives of the obligor and are generally enforceable with no further recourse to the obligor or a third party.

Generally, all the contingent liabilities are also supported by tangible collaterals or a charge over the underlying goods depending on the assessment of the performance risks.

- **Limit concentrations for various exposures:** the Group complies fully with the concentration policy of the CBN as specified in the Prudential Guidelines and is even more prudent, having internal limits that are more stringent in some cases than specified by the apex regulatory authority. The limit concentration policy of the Group covers all forms of exposures such as customers, large exposures, counterparties, collateral, geography, sector, products, ratings bands and facility types among others.

- **Reporting:** an important part of the Group's risk management framework is reporting to ensure that all vital information is brought to the attention of stakeholders and appropriate decisions are taken to further improve the risk culture and ultimately ensure all identified issues are brought within the Board-approved risk appetite. This internal reporting has imposed discipline within the Group, thereby improving its risk management culture.

In line with the Group's three line defence mechanism, each of the business units has primary responsibility for managing the credit relationships with customers, and hence is responsible for the quality and performance of their credit portfolio. Risk management however continues to provide oversight for the entire credit portfolio and all credit relationships apart from ensuring that the businesses operate within the approved framework and policies. Risk Management is also assisted in this role by the internal control, which does a regular post disbursement check to ensure that the credits booked comply with the approved policies and that they continue to operate within approved conditions and guidelines. The internal audit function provides independent assurance for the entire credit process of the Group.

Exposure to credit risk

		GROUP		COMPANY	
		Loans and advances to customers		Loans and advances to customers	
	Note	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Maximum exposure to credit risk					
Carrying amount	*24(a)*	**592,957,417**	617,979,790	**-**	-
Amount committed/guaranteed	*42(c)*	**141,031,528**	211,047,130	**-**	-
		733,988,945	829,026,920	**-**	-
Individually impaired (at amortised cost)					
Very low risk		**-**	-	**-**	-
Low risk		**2,088,706**	105,480	**-**	-
Acceptable risk		**11,612,776**	4,846,825	**-**	-
Moderately high risk		**1,322,432**	3,193,484	**-**	-
High risk		**-**	-	**-**	-
Gross amount		**15,023,914**	8,145,789	**-**	-
Collectively impaired (at amortised cost)					
Very low risk		**-**	-	**-**	-
Low risk		**1,083,434**	649,216	**-**	-
Acceptable risk		**5,629,642**	7,487,430	**-**	-
Moderately high risk		**3,633,172**	6,678,585	**-**	-
High risk		**-**	1,176	**-**	-
Gross amount		**10,346,248**	14,816,407	**-**	-
Past due but not impaired (at amortised cost)					
Very low risk		**-**	67,848	**-**	-
Low risk		**12,895,661**	267,499	**-**	-
Acceptable risk		**46,213,785**	2,295,894	**-**	-
Moderately high risk		**2,721,234**	2,789,467	**-**	-
High risk		**-**	-	**-**	-
Carrying amount		**61,830,680**	5,420,708	**-**	-
Past due but not impaired comprises					
1–29 days		**59,549,626**	1,787,940	**-**	-
30–59 days		**28,249**	2,430,908	**-**	-
60–89 days		**2,252,805**	1,201,860	**-**	-
Carrying amount		**61,830,680**	5,420,708	**-**	-

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		GROUP		COMPANY	
		Loans and advances to customers		Loans and advances to customers	
	Note	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Neither past due nor impaired (at amortised cost)					
Very low risk		**36,032,521**	47,426,258	**-**	-
Low risk		**97,365,534**	152,762,173	**-**	-
Acceptable risk		**328,144,790**	301,463,481	**-**	-
Moderately high risk		**62,316,014**	103,220,298	**-**	-
High risk		**-**	120,083	**-**	-
Gross amount		**523,858,859**	604,992,293	**-**	-
Total gross amount (at amortised cost)		**611,059,701**	633,375,197	**-**	-
Impairment allowance:					
Specific	*24(c)(i)*	**(11,488,991)**	(6,574,749)	**-**	-
Collective	*24(c)(ii)*	**(6,613,293)**	(8,820,658)	**-**	-
Carrying amount		**592,957,417**	617,979,790	**-**	-

Credit risk exposure relating to off-balance sheet

In addition to the above, the Group had entered into lending commitments and financial guarantee contracts of ₦141billion (31 December 2014: ₦211billion) with counterparties as set below;

		GROUP		COMPANY	
		Loans and advances to customers		Loans and advances to customers	
	Note	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Financial guarantees		**141,031,528**	211,047,130	**-**	-
		141,031,528	211,047,130	**-**	-

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually impaired assets by risk grade:

	GROUP			
	Loans and advances to customers		Investment securities	
31 December 2015	Gross ₦'000	Net ₦'000	Gross ₦'000	Net ₦'000
Very low risk	-	-	-	-
Low risk	**2,088,706**	**1,260,628**	-	-
Acceptable risk	**11,612,776**	**1,062,235**	-	-
Moderately high risk	**1,322,432**	**1,212,060**	-	-
High risk	-	-	-	-
Unrated	-	-	**1,349,826**	**49,912**
	15,023,914	**3,534,923**	**1,349,826**	**49,912**

	GROUP			
	Loans and advances to customers		Investment securities	
31 December 2014	Gross ₦'000	Net ₦'000	Gross ₦'000	Net ₦'000
Very low risk	-	-	-	-
Low risk	105,480	51,480	-	-
Acceptable risk	4,846,825	206,572	-	-
Moderately high risk	3,193,484	1,312,988	-	-
High risk	-	-	-	-
Unrated	-	-	1,437,208	61,896
	8,145,789	1,571,040	1,437,208	61,896

Past due but not impaired loans

Past due but not impaired loans are those for which contractual interest or principal payments are past due, but the Group believes that specific impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.

Loans with renegotiated terms and the forbearance policy

The Group may renegotiate loans when there is a material change in the customer's financial position, operating dynamics, industry and environment or anything that gives reasonable doubt that the debt may not be repaid or serviced as and when due. This is usually done through concessions, which agree new terms and conditions that are more favourable to the borrower in order to increase the chance of collection/recovery and thereby reduce the risk of default. Renegotiation of terms may take forms such as extension of tenor, reduction of pricing, introduction of moratorium or restructuring of facility from one form to the other (e.g overdraft to term loan) or other forms of amendments to the terms and conditions earlier contracted with the customer. The objective of renegotiation is to ensure recovery of the outstanding obligations and the request could be at the instance of the customer or the Group.

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Write-off policy

The Group has a write-off policy approved by the Board of Directors, which also meets the requirements as specified in the prudential guidelines of the Central Bank of Nigeria for deposit money banks.

In line with the Group's approved write-off policy, the Management Credit Committee (MCC) may authorise a write-off of outstanding balances on a loan account, where it is apparent that the exposure may not be recovered from any of the available repayment sources. However, the Group must have fully provided for the facility and such credits must also receive the approval of the Board of Directors. The approval process for write-off is as follows:

The Loan Recovery Unit originates the write-off requests:

- Credit Risk Management obtains the approval of the Management Credit Committee (MCC) and the Board Credit Committee (BCC) for the request;
- all write-offs must be ratified by the full Board; and
- Credit Risk Management sends notification of the balances approved for write-off to the Central Bank of Nigeria (CBN).

The write-off must also satisfy the following requirements of Central Bank of Nigeria (CBN):

- the facility must be in the Group's book for at least one year after the full provision;
- there should be evidence of Board approval;
- if the facility is insider or related-party credit, the approval of CBN is required; and
- the fully provisioned facility is appropriately disclosed in the audited financial statement of the Group.

A gross loan amount of ₦7.17 billion, which was impaired was written off during year ended 31 December 2015 (31 December 2014: ₦7.37 billion).

Collateral held and other credit enhancements and their financial effects

The Group also has a good collateral management policy in place to reduce the risk of loss in the event of default. Our collateral management policy is linked to the internal ratings framework and has helped to reduce the estimated expected loss and capital charge on transactions.

The Group holds collateral and other types of credit enhancements against its credit exposures. The next table gives the principal collateral types eligible as security and used primarily to mitigate transaction risk:

Type of credit exposure	Principal type of collateral held for secured lending	Percentage of exposure that is subject to an arrangement that requires collateralisation 2015 %	2014 %
Loans and advances to banks			
Reverse sale and purchase agreements	Marketable securities	**100**	100
Security borrowing	Marketable securities	**100**	100
Loans and advances to retail customers			
Mortgage lending	Residential property	**100**	100
Personal loans	None	**-**	-
Credit cards	None	**-**	-
Loans and advances to corporate customers			
Finance leases	Property and equipment	**100**	100
Other lending to corporate customers	Legal mortgage, mortgage debenture, fixed and floating charges over corporate assets, account receivables	**89**	92
Reverse sale and repurchase agreements	Marketable securities	**100**	100
Investment debt securities	None	**-**	-

Other admissible credit risk mitigants (accepted for comfort only) but not eligible as collateral include domiciliation agreements, trust receipts, negative pledges and master netting agreements with obligors that have investments in liabilities. The Group typically does not hold collateral against investment securities, and no such collateral was held at 31 December 2015 or 31 December 2014.

Details of collateral held and their carrying amounts as at 31 December 2015 are as follows:

	Note	GROUP Total exposure ₦'000	GROUP Value of collateral ₦'000	COMPANY Total exposure ₦'000	COMPANY Value of collateral ₦'000
Secured against real estate		**100,519,015**	**140,870,907**	**-**	**-**
Secured by shares of quoted companies		**2,099,461**	**1,622,509**	**-**	**-**
Cash collateral, lien over fixed and floating assets		**282,659,034**	**331,992,720**	**-**	**-**
Otherwise secured		**78,410,455**	**32,835,059**	**-**	**-**
Unsecured		**147,371,736**	**-**	**-**	**-**
	24(d)	**611,059,701**	**507,321,195**	**-**	**-**

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Details of collateral held and their carrying amounts as at 31 December 2014 are as follows:

		GROUP		COMPANY	
	Note	Total exposure ₦'000	Value of collateral ₦'000	Total exposure ₦'000	Value of collateral ₦'000
Secured against real estate		97,287,082	100,802,180	-	-
Secured by shares of quoted companies		1,104,522	1,993,325	-	-
Cash Collateral, lien over fixed and floating assets		237,109,675	291,054,410	-	-
Otherwise secured		199,763,165	160,657,974	-	-
Unsecured		98,110,753	-	-	-
	24(d)	633,375,197	554,507,889	-	-

Loans and advances to corporate customers

The Group's loans and advances to corporate obligors are subject to rigorous credit appraisals commencing with rating of obligor via our Moody's Risk Analysis Methodology to determine the credit worthiness of the customer or its probability of default known as the obligor risk rating (ORR) – the Probability of Default (PD) of a customer is a measure of the obligor risk rating.

Collateral in the form of first charge over real estate (legal mortgage or mortgage debenture) or floating and fixed charges over corporate assets is usually taken to provide additional comfort to the Group. The measure of the collateral pledged by the customer is given by the Facility Risk Rating (FRR) mapped to the Basel II defined loss given default (LGD) estimates. The FRR or LGD therefore assesses the transaction of the customer – risk of loss on the transaction in the event of default.

All non-retail and retail-SME exposures are assigned a risk grade by independent Credit Analysts within our Risk Management Division based on inputs/discussions with relationship management teams and verifiable facts. While the obligor risk rating model differentiates borrower risk (i.e. risk of default), the facility risk rating model differentiates transaction risk (i.e. risk of loss in the event of default), taking the structure of the facility (availability of credit risk mitigants) into consideration:

	2015				2014			
9 grades LGD model – facility risk rating								
	LGD %	**LGD – MIN %**	**LGD – MAX %**	**LGD GRADE**	**LGD %**	**LGD – MIN %**	**LGD – MAX %**	**LGD GRADE**
SECURED	0	0	4.99	AAA	0	0	4.99	AAA
	5	5	9.99	AA	5	5	9.99	AA
	10	10	14.99	A	10	10	14.99	A
	15	15	19.99	BBB	15	15	19.99	BBB
	20	20	34.99	BB	20	20	34.99	BB
	35	35	39.99	B	35	35	39.99	B
	40	40	44.99	CCC	40	40	44.99	CCC
UNSECURED	45	45	74.99	CC	45	45	74.99	CC
	75	75	100.00	C	75	75	100.00	C

The Group's credit analysts are fully guided by our internal ratings framework and lending policies, and exhibit a high level of professionalism and judgement in their recommendations to Approving Authorities. Model overrides, if any, require the exceptional approval of the Chief Risk Officer and in certain cases may be escalated to the Board Credit Committee.

The Group's Facility Risk Rating model (for non-retail and retail SME) also reflects the expected loss (EL) on each transaction, which fully incorporates both borrower strength (PD) and loss severity (LGD) considerations. The expected loss (EL) generated is used as a guide to price for transactions, being the risk premium and forms the basis of the treatment provision for the purpose of capital computation and allocation to the business groups.

The Group also holds collateral in the form of cash and marketable securities in respect of sale and repurchase transactions and securities borrowing. Receivables relating to reverse sale and repurchase agreements and securities borrowing transactions are usually collaterised on a gross exposure basis. The Group undertakes master netting agreements with all counterparties and margin agreements with some counterparties.

Derivative assets held for risk management

For derivatives, under margin agreements, collateral is held against net positions that are partially or fully collateralised. Exposures under margin agreements are marked to market daily to assess attendant risks to the Group. There are no derivative trading assets as at the reporting period. However, details of derivative transactions taken for Risk Management is presented below:

	2015 Fair value	2014 Fair value
Derivative assets held	**1,479,760**	4,503,005
Derivative liabilities held	**1,317,271**	4,194,185

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Concentration of credit risk

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentration of credit risk from loans and advances, lending commitments, financial guarantees and investment is shown below:

Concentration by sector

	GROUP			
	Loans and advances to customers		Lending commitments and financials guarantees	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Administrative and support services	**2,810,887**	2,736,223	**792,815**	-
Agriculture	**36,130,698**	38,153,184	**6,421,100**	3,835,398
Commerce	**62,435,107**	75,760,760	**22,651,529**	23,550,581
Construction	**6,795,618**	8,261,207	**34,280,476**	53,666,213
Education	**6,011,626**	6,118,693	**-**	-
Finance and insurance	**25,929,197**	31,220,948	**3,755,806**	5,007,763
General – others	**2,415,254**	4,053,605	**30,000**	7,819,784
Government	**828,927**	28,770,132	**-**	-
Hospitality	**5,631,602**	5,334,617	**5,141,978**	-
Individual	**134,670,018**	118,738,098	**-**	-
Information and communication	**27,080,934**	29,589,230	**983,784**	1,431,135
Manufacturing	**53,827,478**	50,032,160	**41,794,084**	82,551,867
Oil and gas – downstream	**47,194,990**	55,982,256	**6,679,938**	17,377,325
Oil and gas – upstream and services	**98,261,888**	92,130,028	**5,580,400**	2,651,211
Power and energy	**27,227,859**	24,706,597	**567,476**	613,852
Professional services	**4,182,228**	2,708,453	**86,954**	-
Real estate	**62,106,778**	50,253,947	**11,807,237**	11,840,614
Transportation	**7,518,612**	8,825,059	**457,951**	701,387
	611,059,701	633,375,197	**141,031,528**	211,047,130

Concentration by location for loans and advance, and for lending commitments and financial guarantees is based on the customer's region of domicile within Nigeria. Concentration by location for investment securities is based on the country of domicile of the issuer of the security.

Concentration by location

	GROUP			
	Loans and advances to customers		Lending commitments and financials guarantees	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
North East	**5,764,706**	4,616,782	**107,828**	388,200
North Central	**54,159,227**	69,699,385	**17,712,686**	27,979,023
North West	**22,080,705**	19,302,058	**435,697**	1,191,040
South East	**13,250,670**	14,353,780	**2,595,316**	1,743,509
South South	**25,179,752**	30,890,802	**13,045,893**	16,254,848
South West	**477,705,054**	487,396,177	**107,134,108**	163,490,510
Europe	**12,919,587**	7,116,213	**-**	-
	611,059,701	633,375,197	**141,031,528**	211,047,130

Trading assets

The Group's trading book comprises only debt securities and bills issued by the Federal Government of Nigeria. The capital charge for the trading book is computed using the standardised approach. The standardised approach adopts a building block approach to capital computation, where the individual capital requirements for the different risk positions are summed together. Under the methodology, capital charge is computed for Issuer Risk, otherwise known as specific risk and for General Market Risk, which may result from adverse movement in market price. The capital charges cover the Group's debt and market instruments in the trading book and the total banking book for Foreign Exchange. The standardised method ignores diversification of risk and the risk positions are captured as on the day and not for a period.

The deployment of Value at Risk (VaR) will enable the Group to migrate to the internal model approach, which measures market risk loss at a given level of confidence and over a specified period. Also, this approach accounts for diversification (which is not done under standardised method).

An analysis of the counterparty credit exposure for the trading assets is as shown in the table below:

GROUP

31 December 2015	Issuer rating	0-30 days ₦'000	31-90 days ₦'000	91-180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000	Total ₦'000
Security type							
FGN bonds	BB-	**591,882**	**-**	**-**	**-**	**-**	**591,882**
Nigerian treasury bills	BB-	**1,247,395**	**-**	**-**	**-**	**-**	**1,247,395**
Equity investments	BB-	**155,073**	**-**	**-**	**-**	**-**	**155,073**
		1,994,350	**-**	**-**	**-**	**-**	**1,994,350**

GROUP

31 December 2014	Issuer rating	0-30 days ₦'000	31-90 days ₦'000	91-180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000	Total ₦'000
Security type							
FGN bonds	BB-	-	-	-	-	-	-
Nigerian treasury bills	BB-	110,961	-	-	-	-	110,961
Equity investments	BB-	630,956	-	-	-	-	630,956
		741,917	-	-	-	-	741,917

Cash and cash equivalents

The Group held cash and cash equivalents of ₦180.93 billion as at 31 December 2015 (31 December 2014: ₦126.29 billion). The cash and cash equivalents are held with the Central Bank, financial institutions and counterparties which are rated BBB- to AA based on acceptable external rating agency's ratings.

Settlement risk

The Group, like its peers in the industry, is exposed to settlement risk – the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

This risk is generally mitigated through counterparty limits set to manage the Group's

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exposure to these counterparties. The counterparty limits are approved by the Executive Management and the Board of Directors.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. It is the potential loss to the Group arising from either its inability to meet its obligations or to fund committed increases in assets as they fall due without incurring unacceptable costs or losses.

Management of liquidity risk

The Board of Directors sets the strategy for liquidity risk and delegates the responsibility for oversight and implementation of the policy to the Assets and Liability Committee (ALCO). The liquidity position is managed daily by Treasury and Financial Services in conjunction with Market Risk Management. Assessment of liquidity is carried out through daily and weekly reports aimed at evaluating limit compliance across all the key liquidity management criteria e.g. funding gap, liquidity mismatches, etc.

ALCO has the primary responsibility for managing liquidity risk arising from assets and liability creation activities. Deliberate strategies put in place to ensure the Group is protected from liquidity risk include:

- liquidity risk identification at transaction, portfolio and entity levels using the defined early warning liquidity risk indicators with quantified metrics for measurement on parameters, such as deposit attrition, funding mismatch and funding concentrations, to mention a few;
- establishment of the Group's liquidity risk appetite, which is the amount of risk FCMB is willing to accept in pursuit of value using relevant liquidity risk ratios and assets, and liability funding gaps;
- establishment of methodologies for measuring and reporting on the Group's liquidity risk profile against set appetite and also sensitising against unforeseen circumstances using liquidity risk scenario analysis;
- establishment of preventive (limit-setting and management) as well as corrective (contingency funding plan – CFP) controls over liquidity risk;
- maintaining a diversified funding base consisting of customer deposits (both retail and corporate) and wholesale market deposits, and maintaining contingency deposits and contingency liabilities;
- carrying a portfolio of highly liquid assets, diversified by currency and maturity; and
- monitoring liquidity ratios, maturity mismatches, behavioural characteristics of the Group's financial assets and liabilities, and the extent to which they are encumbered.

The Group conducts regular stress testing on its liquidity position using different scenarios including normal, mild and severe stress situations. The scenarios anticipate changes in key financial indicators, such as interest rate movement, sharp reduction in Development Financial Institutions (DFIs) as a result of current security challenges, and economic downturn among others. Stress results are presented to ALCO to elicit proactive liquidity management decisions. The committee's resolutions are tracked for impact assessment and anticipated stability in liquidity management.

The Risk Management Division provides the necessary analytics (Maturity/Repricing Gap and Balance Sheet Analysis) required for taking proactive liquidity management decisions. The Group's Treasury and Financial Services Division is responsible for executing ALCO decisions and in particular, ensuring that the Group is optimally and profitably funded at any point in time.

Exposure to liquidity risk

The key measures adopted by the Group for liquidity management are maturity profile on and off balance sheet and maturity analysis. Details of the reported ratio of the Group's net liquid assets to deposit from customers as at the reporting period is given as:

	2015	2014
At 31 December	**35.8%**	32.3%
Average for the year	**38.6%**	34.5%
Maximum for the year	**48.6%**	47.1%
Minimum for the year	**33.0%**	30.9%

Liquidity ratio, which is a measure of liquidity risk, is calculated as a ratio of Naira liquid assets to local currency deposits and it is expressed in percentages.

The exposure to liquidity risk during the review period is as presented below:

Maturity analysis for financial assets and liabilities

The table below analyses financial assets and liabilities of the Group into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. These include both principal and interest cash flows across the different maturity periods. The following tables show the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial assets and liabilities.

		GROUP	
31 December 2015	*Note*	**Carrying amount**	**Gross nominal inflow/(outflow)**
Non-derivative assets			
Cash and cash equivalent	*20*	**180,921,698**	**180,921,698**
Restricted reserve deposits	*21*	**125,552,318**	**125,552,318**
Non-pledged trading assets	*22*	**1,994,350**	**1,964,546**
Loans and advances to customers	*24*	**592,957,417**	**584,623,850**
Assets pledged as collateral	*26*	**51,777,589**	**51,777,589**
Investment securities	*25*	**135,310,147**	**116,093,996**
Other financial assets		**16,655,644**	**34,198,432**
Derivative assets			
Derivative assets held	*23*	**1,479,760**	**994,740**
		1,106,648,923	**1,096,127,169**
Non-derivative liabilities			
Deposits from banks	*33*	**5,461,038**	**4,933,089**
Deposits from customers	*34*	**700,216,706**	**693,863,607**
Borrowings	*35*	**113,700,194**	**105,135,097**
On-lending facilities	*36*	**33,846,116**	**33,298,618**
Debt securities issued	*37*	**49,309,394**	**49,185,000**
Other financial liabilities	*39(a)*	**85,276,384**	**85,203,116**

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		GROUP	
31 December 2015	*Note*	**Carrying amount**	**Gross nominal inflow/(outflow)**
Derivative liabilities			
Derivative liabilities held	*23*	**1,317,271**	**915,730**
		989,127,103	**972,534,257**
Net liquidity gap		**117,521,820**	**123,595,912**

		GROUP						
31 December 2015	*Note*	**0-30 days ₦'000**	**31-90 days ₦'000**	**91-180 days ₦'000**	**181-365 days ₦'000**	**1-5 years ₦'000**	**Above 5 years ₦'000**	**Total ₦'000**
Non-derivative assets								
Cash and cash equivalent	*20*	**180,921,698**	**-**	**-**	**-**	**-**	**-**	**180,921,698**
Restricted reserve deposits	*21*	**125,552,318**	**-**	**-**	**-**	**-**	**-**	**125,552,318**
Non-pledged trading assets	*22*	**1,994,350**	**-**	**-**	**-**	**-**	**-**	**1,994,350**
Loans and advances to customers	*24*	**90,558,713**	**100,630,380**	**33,921,364**	**34,241,517**	**283,352,178**	**41,919,698**	**584,623,850**
Assets pledged as collateral	*26*	**-**	**-**	**7,934,482**	**7,673,500**	**23,133,198**	**13,036,409**	**51,777,589**
Investment securities	*25*	**1,399,637**	**11,345,434**	**9,110,754**	**16,289,895**	**49,141,459**	**28,806,817**	**116,093,996**
Other financial assets	*32(a)*	**24,181,036**	**-**	**-**	**183,009**	**9,834,387**	**-**	**34,198,432**
Derivative assets								
Derivative assets held	*23*	**-**	**-**	**-**	**-**	**994,740**	**-**	**994,740**
		424,607,752	**111,975,814**	**50,966,600**	**58,387,921**	**366,455,962**	**83,762,924**	**1,096,156,973**
Non-derivative liabilities								
Deposits from banks	*33*	**4,225,802**	**707,287**	**-**	**-**	**-**	**-**	**4,933,089**
Deposits from customers	*34*	**512,846,734**	**13,171,236**	**127,224,832**	**40,615,725**	**5,080**	**-**	**693,863,607**
Borrowings	*35*	**5,605,147**	**-**	**-**	**25,323,811**	**67,630,881**	**6,575,258**	**105,135,097**
On-lending facilities	*36*	**-**	**-**	**-**	**-**	**3,062,378**	**30,236,240**	**33,298,618**
Debt securities issued	*37*	**-**	**-**	**-**	**-**	**-**	**49,185,000**	**49,185,000**
Other financial liabilities	*39(a)*	**15,197,205**	**-**	**30,636,447**	**39,369,464**	**-**	**-**	**85,203,116**
Derivative liabilities								
Derivative liabilities held	*23*	**-**	**-**	**-**	**-**	**-**	**915,730**	**915,730**
		537,874,888	**13,878,523**	**157,861,279**	**105,309,000**	**70,698,339**	**86,912,228**	**972,534,257**
Net liquidity gap		**(85,717,418)**	**98,097,291**	**(106,894,679)**	**(46,921,079)**	**295,757,623**	**(3,149,304)**	**123,622,716**

		GROUP	
31 December 2014	*Note*	**Carrying amount**	**Gross nominal inflow/(outflow)**
Non-derivative assets			
Cash and cash equivalent	*20*	126,293,809	126,293,809
Restricted reserve deposits	*21*	146,105,573	146,105,573
Non-pledged trading assets	*22*	741,917	741,917
Loans and advances to customers	*24*	617,979,790	617,979,790
Assets pledged as collateral	*26*	53,812,420	53,812,420
Investment securities	*25*	148,286,830	148,286,830
Other financial assets	*32(a)*	21,924,532	21,924,532
Derivative assets			
Derivative assets held	*23*	4,503,005	4,503,005
		1,119,647,876	1,119,647,876
Non-derivative liabilities			
Deposits from banks	*33*	4,796,752	4,796,752
Deposits from customers	*34*	733,796,796	739,238,838
Borrowings	*35*	99,540,346	99,900,684
On-lending facilities	*36*	14,913,521	14,913,521
Debt securities issued	*37*	26,174,186	26,174,186
Other financial liabilities	*39(a)*	115,082,785	115,082,785
Derivative liabilities			
Derivative liabilities held	*23*	4,194,185	4,194,185
		998,498,571	1,004,300,951
Net liquidity gap		121,149,305	115,346,925

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31 December 2014	Note	GROUP 0-30 days ₦'000	31-90 days ₦'000	91-180 days ₦'000	181-365 days ₦'000	1-5 years ₦'000	Above 5 years ₦'000	Total ₦'000
Non-derivative assets								
Cash and cash equivalent	20	126,293,809	-	-	-	-	-	126,293,809
Restricted reserve deposits	21	146,105,573	-	-	-	-	-	146,105,573
Non-pledged trading assets	22	741,917	-	-	-	-	-	741,917
Loans and advances to customers	24	91,753,853	62,337,525	10,567,353	37,302,267	415,072,815	945,977	617,979,790
Assets pledged as collateral	26	3,653,716	-	9,000,000	7,934,482	33,224,222	-	53,812,420
Investment securities	25	22,397,307	17,267,263	22,595,321	31,643,106	13,556,901	40,826,932	148,286,830
Other financial assets	32(a)	-	-	-	13,298,749	6,594,337	2,031,446	21,924,532
Derivative assets								
Derivative assets held	23	-	4,503,005	-	-	-	-	4,503,005
		390,946,175	84,107,793	42,162,674	90,178,604	468,448,275	43,804,355	1,119,647,876
Non-derivative liabilities								
Deposits from banks	33	4,796,752	-	-	-	-	-	4,796,752
Deposits from customers	34	561,931,289	123,100,819	39,934,113	8,727,618	102,957	-	733,796,796
Borrowings	35	-	-	11,187,332	15,606,168	30,539,367	42,207,479	99,540,346
On-lending facilities	36	-	-	-	-	14,913,521	-	14,913,521
Debt securities issued	37	-	-	-	-	-	26,174,186	26,174,186
Other financial liabilities	39(a)	8,143,507	-	-	105,261,569	1,825,974	-	115,231,050
Derivative liabilities								
Derivative liabilities held	23	-	4,194,185	-	-	-	-	4,194,185
		574,871,548	127,295,004	51,121,445	129,595,355	47,381,819	68,381,665	998,646,836
Net liquidity gap		(183,925,373)	(43,187,211)	(8,958,771)	(39,416,751)	421,066,456	(24,577,310)	121,001,040

The amounts in the table on the previous page have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Derivative financial liabilities and financial assets held	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than 0–30 days' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.
Issued financial guarantee contracts and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

- demand deposits from customers are expected to remain stable or increase;
- unrecognised loan commitments are not all expected to be drawn down immediately; and
- retail mortgage loans have an original contractual maturity of between 10 and 15 years, but an average expected maturity of six years because customers take advantage of early repayment options.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and debt securities issued by Central Bank of Nigeria, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral with the Central Bank of Nigeria.

Liquidity reserves

The table below sets out the components of the Group's liquidity reserve.

31 December	Note	Carrying amount 2015 ₦'000	Fair value 2015 ₦'000	Carrying amount 2014 ₦'000	Fair value 2014 ₦'000
Balances with the Central Banks		**45,461,265**	**45,461,265**	8,765,280	8,765,280
Cash and balances with other banks	*20*	**135,460,433**	**135,460,433**	117,528,529	117,528,529
Unencumbered debt securities issued by Federal Government of Nigeria		**98,339,668**	**75,914,691**	117,580,710	105,044,049
Total liquidity reserve		**279,261,366**	**256,836,389**	243,874,519	231,337,858

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Included in the unencumbered debt securities issued by Federal Government of Nigeria are: Federal Government of Nigeria (FGN) Bonds ₦57.83 billion (31 December 2014: ₦37.78 billion), Treasury Bills ₦40.34 billion (31 December 2014: ₦68.82 billion) under Notes 22, 25(a) and (b).

Financial assets available to support future funding

The table below shows availability of the Group's assets to support future funding:

		31 December 2015				
		Encumbered		**Unencumbered**		
	Note	**Pledged as collateral ₦'000**	**Other* ₦'000**	**Available as collateral ₦'000**	**Other** ₦'000**	**Total ₦'000**
Cash and cash equivalents	*20*	**-**	**-**	**180,921,698**	**-**	**180,921,698**
Restricted reserve deposits	*21*	**-**	**125,552,318**	**-**	**-**	**125,552,318**
Derivative assets held	*23*	**-**	**-**	**-**	**1,479,760**	**1,479,760**
Trading assets	*22*	**-**	**-**	**-**	**1,994,350**	**1,994,350**
Loans and advances	*24*	**-**	**-**	**-**	**592,957,417**	**592,957,417**
Assets pledged as collateral	*26*	**51,777,589**	**-**	**-**	**-**	**51,777,589**
Investment securities	*25*	**-**	**-**	**135,310,147**	**-**	**135,310,147**
Other assets	*32*	**-**	**-**		**16,655,644**	**16,655,644**
Total assets		**51,777,589**	**125,552,318**	**316,231,845**	**613,087,171**	**1,106,648,923**

		31 December 2014				
		Encumbered		Unencumbered		
	Note	Pledged as collateral ₦'000	Other* ₦'000	Available as collateral ₦'000	Other** ₦'000	Total ₦'000
Cash and cash equivalents	*20*	-	-	126,293,809	-	126,293,809
Restricted reserve deposits	*21*	-	146,105,573	-	-	146,105,573
Derivative assets held	*23*	-	-	-	4,503,005	4,503,005
Trading assets	*22*	-	-	-	741,917	741,917
Loans and advances	*24*	-	-	-	617,979,790	617,979,790
Assets pledged as collateral	*26*	53,812,420	-	-	-	53,812,420
Investment securities	*25*	-	-	148,286,830	-	148,286,830
Other assets	*32*	-	-	-	26,087,683	26,087,683
Other non-financial assets	*29,30,31*	-	-	36,740,117	8,813,640	45,553,757
Total assets		53,812,420	146,105,573	311,320,756	658,126,035	1,169,364,784

** Represents assets which are not pledged but the Group believes they are restricted (either by law or other reasons) from being used to secure funding.*

*** These are assets that are available i.e. not restricted as collateral to secure funding but the Group would not consider them as readily available in the course of regular business.*

Financial assets pledged as collateral

The total financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities at 31 December 2015 and 31 December 2014 are shown in the preceding table.

Financial assets are pledged as collateral as part of securities borrowing, clearing and client's collection transactions under terms that are usual and customary for such activities.

(d) Market Risk

Market risk is the risk that changes in market prices such as interest rate, equity/commodity prices, foreign exchange rates will affect the Group's income or the value of its holdings in financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters in order to ensure the Group's solvency while optimising the return on risk.

Management of market risk

Market risk is the risk that movements in market factors, including foreign exchange rates and interest rates, credit spreads and equity prices, will reduce the Group's income or the value of its portfolios. The Group classifies its market risk into asset and liability management (ALM) risk, investment risk and trading risk.

The Group separates its market risk exposures between trading and non-trading portfolios. Trading portfolios are mainly held by the Treasury and Financial Services Group and include positions from market making and proprietary positions taking, together with financial assets and liabilities that are managed on fair value basis.

The Group has a robust methodology and procedures for the identification, assessment, measurement, control, monitoring and reporting of market risks within its trading portfolio and the rest of the Group's balance sheet. The market risk management unit within the Risk Management Division is responsible for measuring market risk exposures in accordance with the policies defined by the Board, monitoring and reporting the exposures against the prescribed limits.

Overall authority for market risk is vested by the board in ALCO, which sets up limits for each type of risk in aggregate. However, the market risk unit within Risk Management is responsible for limit tracking and reporting to the Chief Risk Officer and ultimately, ALCO. The Group employs a range of tools to monitor and ensure risk acceptance is kept within defined limit. Details of market risk exposures as at 31 December 2015 are provided below:

Market risk measures

The table below sets out the allocation of assets and liabilities subject to market risk between trading and non-trading portfolio.

		GROUP			COMPANY		
31 December 2015	*Note*	Carrying amount ₦'000	Trading portfolios ₦'000	Non-trading portfolios ₦'000	Carrying amount ₦'000	Trading portfolios ₦'000	Non-trading portfolios ₦'000
Assets subject to market risk:							
Cash and cash equivalents	*20*	**180,921,698**	**-**	**180,921,698**	**7,231,196**	**-**	**7,231,196**
Trading assets	*22*	**1,994,350**	**1,994,350**	**-**	**-**	**-**	**-**
Derivative assets held	*23*	**1,479,760**	**-**	**1,479,760**	**-**	**-**	**-**
Loans and advances to customers	*24*	**592,957,417**	**-**	**592,957,417**	**-**	**-**	**-**
Assets pledged as collateral	*26*	**51,777,589**	**-**	**51,777,589**	**-**	**-**	**-**

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		GROUP			COMPANY		
31 December 2015	*Note*	**Carrying amount ₦'000**	**Trading portfolios ₦'000**	**Non-trading portfolios ₦'000**	**Carrying amount ₦'000**	**Trading portfolios ₦'000**	**Non-trading portfolios ₦'000**
Investment securities	*25*	**135,310,147**	**-**	**135,310,147**	**2,013,621**	**-**	**2,013,621**
Liabilities subject to market risk:							
Derivative liabilities held	*23*	**1,317,271**	**-**	**1,317,271**	**-**	**-**	**-**
Deposits from banks	*33*	**5,461,038**	**-**	**5,461,038**	**-**		**-**
Deposits from customers	*34*	**700,216,706**	**-**	**700,216,706**	**-**	**-**	**-**
Borrowings	*35*	**113,700,194**	**-**	**113,700,194**	**-**	**-**	**-**
On-lending facilities	*36*	**33,846,116**	**-**	**33,846,116**	**-**	**-**	**-**
Debt securities issued	*37*	**49,309,394**	**-**	**49,309,394**	**-**	**-**	**-**

		GROUP			COMPANY		
31 December 2014	*Note*	Carrying amount ₦'000	Trading portfolios ₦'000	Non-trading portfolios ₦'000	Carrying amount ₦'000	Trading portfolios ₦'000	Non-trading portfolios ₦'000
Assets subject to market risk:							
Cash and cash equivalents	*20*	126,293,809	-	126,293,809	4,056,165	-	4,056,165
Trading assets	*22*	741,917	741,917	-	-	-	-
Derivative assets held	*23*	4,503,005	-	4,503,005	-	-	-
Loans and advances to customers	*24*	617,979,790	-	617,979,790	-	-	-
Assets pledged as collateral	*26*	53,812,420	-	53,812,420	-	-	-
Investment securities	*25*	148,286,830	-	148,286,830	2,828,220	-	2,828,220
				-			
Liabilities subject to market risk:				-			
Derivative liabilities held	*23*	4,194,185	-	4,194,185	-	-	-
Deposits from banks	*33*	4,796,752	-	4,796,752	-		-
Deposits from customers	*34*	733,796,796	-	733,796,796	-	-	-
Borrowings	*35*	99,540,346	-	99,540,346	-	-	-
On-lending facilities	*36*	14,913,521	-	14,913,521	-	-	-
Debt securities issued	*37*	26,174,186	-	26,174,186	-	-	-

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss arising from fluctuations in the fair values of future cash flows from financial instruments because of a change in the market interest rate. Interest rate risk is managed principally through active monitoring of gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by the Treasury and Financial Services group.

A summary of the interest rate gap position on non-trading portfolios is as follows:

		GROUP						
31 December 2015	*Note*	**Carrying amount ₦'000**	**0-30 days ₦'000**	**31-90 days ₦'000**	**91-180 days ₦'000**	**181-365 days ₦'000**	**1-5 years ₦'000**	**Above 5 years ₦'000**
Assets subject to market risk:								
Cash and cash equivalents	*20*	**180,921,698**	**180,921,698**	**-**	**-**	**-**	**-**	**-**
Derivative assets held	*23*	**1,479,760**	**-**	**-**	**-**	**-**	**994,740**	**-**
Loans and Advances to customers	*24*	**592,957,417**	**98,892,280**	**100,630,380**	**33,921,364**	**34,241,517**	**283,352,178**	**41,919,698**
Assets pledged as collateral	*26*	**51,777,589**	**-**	**-**	**7,934,482**	**7,673,500**	**23,133,198**	**13,036,409**
Investment securities	*25*	**135,310,147**	**20,615,788**	**11,345,434**	**9,110,754**	**16,289,895**	**49,141,459**	**28,806,817**
		962,446,611	**300,429,766**	**111,975,814**	**50,966,600**	**58,204,912**	**356,621,575**	**83,762,924**
Liabilities subject to market risk:								
Derivative liabilities held	*23*	**1,317,271**	**-**	**1,317,271**	**-**	**-**	**-**	**-**
Deposits from banks	*33*	**5,461,038**	**4,225,802**	**707,287**	**-**	**-**	**-**	**-**
Deposits from customers	*34*	**700,216,706**	**512,846,734**	**13,171,236**	**127,224,832**	**40,615,725**	**5,080**	**-**
Borrowings	*35*	**113,700,194**	**-**	**-**	**-**	**39,477,030**	**67,630,881**	**6,575,258**
On-lending facilities	*36*	**33,846,116**	**-**	**-**	**-**	**-**	**3,062,378**	**30,236,240**
Debt securities issued	*37*	**49,309,394**	**-**	**-**	**-**	**-**	**-**	**49,185,000**
		903,850,719	**517,072,536**	**15,195,794**	**127,224,832**	**80,092,755**	**70,698,339**	**85,996,498**

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		GROUP						
31 December 2014	*Note*	Carrying amount ₦'000	0-30 days ₦'000	31-90 days ₦'000	91-180 days ₦'000	181-365 days ₦'000	1-5 years ₦'000	Above 5 years ₦'000
Assets subject to market risk:								
Cash and cash equivalents	*20*	126,293,809	126,293,809	-	-	-	-	-
Derivative assets held	*23*	4,503,005	-	4,503,005	-	-	-	-
Loans and advances to customers	*24*	617,979,790	91,753,853	62,337,525	10,567,353	37,302,267	415,072,815	945,977
Assets pledged as collateral	*26*	53,812,420	3,653,716	-	9,000,000	7,934,482	33,224,222	-
Investment securities	*25*	148,286,830	22,397,307	17,267,263	22,595,321	31,643,106	13,556,901	40,826,932
		950,875,854	244,098,685	84,107,793	42,162,674	76,879,855	461,853,938	41,772,909
Liabilities subject to market risk:								
Derivative liabilities held	*23*	4,194,185	-	4,194,185	-	-	-	-
Deposits from banks	*33*	4,796,752	4,796,752					
Deposits from customers	*34*	733,796,796	561,931,289	123,100,819	39,934,113	8,727,618	102,957	-
Borrowings	*35*	99,540,346	-	-	11,187,332	15,606,168	30,539,367	42,207,479
On-lending facilities	*36*	14,913,521	-	-	-	-	14,913,521	-
Debt securities issued	*37*	26,174,186	-	-	-	-	-	26,174,186
		883,415,786	566,728,041	127,295,004	51,121,445	24,333,786	45,555,845	68,381,665

Sensitivity of projected net interest income

The management of interest rate risk against interest rate gap is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 50 basis point (bp) and 100 basis point parallel fall or rise. The financial assets and liabilities sensitive to interest rate risk are loans and advances and deposits. A weighted average rate has been applied and the effects are shown in the table below:

		GROUP						
31 December 2015	*Note*	**Gross amount ₦'000**	**Weighted average interest rate ₦'000**	**Interest due at current weighted average rate ₦'000**	**50bp ₦'000**	**(50bp) ₦'000**	**100bp ₦'000**	**Total (100bp) ₦'000**
Loans and advances	*24*	**611,059,701**	**16%**	**99,646,910**	**102,702,209**	**96,591,611**	**105,757,507**	**93,536,313**
Deposits	*34*	**700,216,706**	**6%**	**(45,331,824)**	**(48,832,908)**	**(41,830,740)**	**(52,333,991)**	**(38,329,657)**
				54,315,086	**53,869,301**	**54,760,871**	**53,423,516**	**55,206,656**
Impact on net interest income					**(445,785)**	**445,785**	**(891,570)**	**891,570**

		GROUP						
31 December 2014	Note	Gross amount ₦'000	Weighted average interest rate ₦'000	Interest due at current weighted average rate ₦'000	50bp ₦'000	(50bp) ₦'000	100bp ₦'000	Total (100bp) ₦'000
Loans and advances	24	621,704,427	14%	89,923,116	93,031,638	86,814,594	96,140,160	83,706,072
Deposits	34	733,796,796	5%	(38,030,311)	(41,699,295)	(34,361,327)	(45,368,279)	(30,692,343)
				51,892,805	51,332,343	52,453,267	50,771,881	53,013,729
Impact on net interest income					(560,462)	560,462	(1,120,924)	1,120,924

Exposure to other market risk non-trading portfolios

The non-trading book includes the loans, deposits, investments, placements, etc. Price risk in non-trading portfolios is measured with portfolio duration and convexity. The sensitivity of earnings to specified upward and downward instantaneous parallel 100 and 200 basis point shifts in the yield curve, over one-year horizons under business-as-usual conditions assuming static portfolio indicates the potential risk.

Exposure to other market risk trading portfolios

The trading book includes Treasury Bills and Federal Government of Nigeria bonds. The sensitivity to earnings was not considered because the portfolio is rather insignificant.

Foreign exchange risk

The Group takes on foreign exchange risks through its activities in both the trading and banking books. The Group engages in currency trading on behalf of itself and creates foreign currency positions on the banking book in the course of its financial intermediation role. The Group is thus exposed to the risk of loss on both its trading and banking book positions in the event of adverse movements in currency prices. The market-to-mark currency rates applied are the average interbank rates published by FMDQ OTC Securities Exchange (FMDQ).

However, the Group sets exposure limits (open position limits) at currency levels and uses a combination of counterparty, dealer and stop loss limits to manage market risks inherent in all foreign currency trading positions. All limits are set for both overnight and intra-day positions and approved by the Board of Directors. Compliance with the Board approved limits is enforced through daily monitoring by the Risk Management Division.

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		GROUP					
31 December 2015	*Note*	NGN ₦'000	USD ₦'000	GBP ₦'000	EUR ₦'000	Other ₦'000	Grand total ₦'000
ASSETS							
Cash and cash equivalents	20	75,327,852	94,493,368	3,778,743	7,319,209	2,526	180,921,698
Restricted reserve deposit	21	125,552,318	-	-	-	-	125,552,318
Non-pledged trading assets	22	1,994,350	-	-	-	-	1,994,350
Derivative assets held	23	-	1,479,760	-	-	-	1,479,760
Loans and advances (net)	24	355,331,473	237,266,008	233	359,703	-	592,957,417
Investment securities	25	132,490,452	2,801,100	-	18,595	-	135,310,147
Investment in associates	28	731,964	-	-	-	-	731,964
Intangible assets	30	8,920,792	47,747	-	-	-	8,968,539
Assets pledged as collateral	26	51,777,589	-	-	-	-	51,777,589
Deferred tax assets	31	8,166,241	-	-	-	-	8,166,241
Other assets	32	11,242,207	10,425,032	24,575	11,601	-	21,703,415
Property and equipment	29	29,910,395	60,343	-	-	-	29,970,738
Total assets		801,445,633	346,573,358	3,803,551	7,709,108	2,526	1,159,534,176
LIABILITIES							
Deposits from customers	34	544,384,862	149,156,982	1,566,963	5,107,892	7	700,216,706
Deposits from banks	33	-	5,461,038	-	-	-	5,461,038
Borrowings	35	13,824,342	99,875,852	-	-	-	113,700,194
On-lending facilities	36	33,846,116	-	-	-	-	33,846,116
Debt securities issued	37	49,309,394	-	-	-	-	49,309,394
Derivative liability held	23	-	1,317,271	-	-	-	1,317,271
Current income tax liabilities	19(v)	3,497,954	-	-	-	-	3,497,954
Other liabilities	39	45,306,974	42,888,208	314,517	1,451,445	749	89,961,893
Deferred taxation	31	68,438	-	-	-	-	68,438
Retirement benefit obligations	38	50,544	-	-	-	-	50,544
Total liabilities		690,288,624	298,699,351	1,881,480	6,559,337	756	997,429,548
Net on-balance sheet financial position		111,157,009	47,874,007	1,922,071	1,149,771	1,770	162,104,628
Off-balance sheet financial position		3,172,311	132,813,540	172,260	5,904,089	-	142,062,200

		GROUP					
31 December 2014	*Note*	NGN ₦'000	USD ₦'000	GBP ₦'000	EUR ₦'000	Others ₦'000	Grand total ₦'000
ASSETS							
Cash and cash equivalents	*20*	40,671,826	73,747,236	3,636,024	8,229,847	8,876	126,293,809
Restricted reserve deposit	*21*	146,105,573	-	-	-	-	146,105,573
Non-pledged trading assets	*22*	741,917	-	-	-	-	741,917
Derivative assets held	*23*	-	4,503,005	-	-	-	4,503,005
Loans and advances (net)	*24*	351,685,329	261,344,279	220	4,949,962	-	617,979,790
Investment securities	*25*	145,927,935	2,358,895	-	-	-	148,286,830
Investment in associates	*28*	647,399	-	-	-	-	647,399
Intangible assets	*31*	8,300,563	47,747	-	-	-	8,348,310
Assets pledged as collateral	*32*	53,812,420	-	-	-	-	53,812,420
Deferred tax assets	*29*	8,166,241	-	-	-	-	8,166,241
Other assets	*30*	24,656,148	1,373,682	47,357	10,496	-	26,087,683
Property and equipment	*34*	28,331,464	60,343	-	-	-	28,391,807
Total assets		809,046,815	343,435,187	3,683,601	13,190,305	8,876	1,169,364,784
LIABILITIES							
Deposits from customers	*34*	576,309,458	149,556,217	1,863,689	6,067,426	6	733,796,796
Deposits from banks	*33*	-	4,796,752	-	-	-	4,796,752
Borrowings	*35*	14,687,974	84,852,372	-	-	-	99,540,346
On-lending facilities	*36*	14,913,521	-	-	-	-	14,913,521
Debt securities issued	*37*	26,174,186					26,174,186
Derivative liability held	*23*	-	4,194,185	-	-	-	4,194,185
Current income tax liabilities	*19(v)*	4,363,544	-	-	-	-	4,363,544
Other liabilities	*39*	54,939,765	59,880,806	135,924	6,099,978	7,007	121,063,480
Deferred taxation	*31*	41,487	-	-	-	-	41,487
Retirement benefit obligations	*38*	115,056	-	-	-	-	115,056
Total liabilities		691,544,991	303,280,332	1,999,613	12,167,404	7,013	1,008,999,353
Net on-balance sheet financial position		117,501,824	40,154,855	1,683,988	1,022,901	1,863	160,365,431
Off-balance sheet financial position		64,503,116	127,400,475	398,889	3,940,879	-	196,243,359

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In line with Central Bank of Nigeria guidelines, the percentage of foreign borrowings to the shareholders' fund as at 31 December 2015 is 52.61% (31 December 2014: 39.12%), which is below the limit of 75%.

Exposure to currency risks – non-trading portfolios

At 31 December 2015, if foreign exchange rates at that date had been 10% lower with all other variables held constant, profit and equity for the year would have been ₦4.78 billion (31 December 2014: ₦4.00 billion) lower, arising mainly as a result of the higher decrease in revaluation of loans than the borrowings, foreign currency deposits and other foreign currency liabilities. If foreign exchange rates had been 10% higher, with all other variables held constant, profit and equity would have been ₦4.78 billion (31 December 2014: ₦4.00 billion) higher, arising mainly as a result of higher increase in revaluation of loans and advances than the increase on borrowings, foreign currency deposits and other foreign currency liabilities.

The following analysis details the Group's sensitivity to a 10% increase and decrease in the value of the Naira against USD, as the Group is mainly exposed to USD. 10% is the sensitivity rate used when reporting foreign currency risk internally and represents management's assessment of the reasonably possible change in foreign exchange rates. The table below summarises the impact on profit or loss and equity for each category of USD financial instruments held as at 31 December 2015. It includes the Group's USD financial instruments at carrying amounts.

Foreign exchange risk

	2015			2014		
	Carrying amount ₦'000	10% decrease in the value of Naira against USD ₦'000	10% increase in the value of Naira against USD ₦'000	Carrying amount ₦'000	10% decrease in the value of Naira against USD ₦'000	10% increase in the value of Naira against USD ₦'000
Financial assets						
Cash and cash equivalents	**94,493,368**	**9,449,337**	**(9,449,337)**	73,747,236	7,374,724	(7,374,724)
Derivative assets held	**1,479,760**	**147,976**	**(147,976)**	4,503,005	450,301	(450,301)
Loans and advances to customers	**237,266,008**	**23,726,601**	**(23,726,601)**	261,344,279	26,134,428	(26,134,428)
Investment securities	**2,801,100**	**280,110**	**(280,110)**	2,358,895	235,890	(235,890)
Other assets	**10,425,032**	**1,042,503**	**(1,042,503)**	1,373,682	137,368	(137,368)
Impact on financial assets	**346,465,268**	**34,646,527**	**(34,646,527)**	343,327,097	34,332,711	(34,332,711)
Financial liabilities						
Deposits from banks	**5,461,038**	**546,104**	**(546,104)**	4,796,752	479,675	(479,675)
Deposits from customers	**149,156,982**	**14,915,698**	**(14,915,698)**	149,556,217	14,955,622	(14,955,622)
Borrowings	**99,875,852**	**9,987,585**	**(9,987,585)**	84,852,372	8,485,237	(8,485,237)
Derivative liabilities held	**1,317,271**	**131,727**	**(131,727)**	4,194,185	419,419	(419,419)
Other liabilities	**42,888,208**	**4,288,821**	**(4,288,821)**	59,880,806	5,988,081	(5,988,081)
Impact on financial liabilities	**298,699,351**	**29,869,935**	**(29,869,935)**	303,280,332	30,328,034	(30,328,034)
Total increase/(decrease)	**47,765,917**	**4,776,592**	**(4,776,592)**	40,046,765	4,004,677	(4,004,677)

(e) Operational Risk Management

The Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Our operational risk processes capture the following major types of losses:

- fraud (internal and external);
- fines, penalties or expenses incurred as a result of settlement delays and regulatory infractions;
- losses arising from litigation processes including out-of-court settlements;
- un-reconciled cash (teller, vault, ATM) shortages written off in the course of the year;
- losses incurred as a result of damages to the Group's assets; and
- losses incurred as a result of system downtime, malfunction and/or disruption.

The Group's appetite for operational risk losses is set by the Board Risk, Audit and Finance Committee (BRAFC) on an annual basis, and this sets the tone for operational risk management practices in the course of the year. The appetite is set in terms of the maximum amount of operational risk losses the Group expects to incur given risk-reward considerations for the year.

All business and process owners across the Group proactively identify weak-points/risks across their respective functions, activities, processes and systems using the Risk and Control Self-Assessment (RCSA), while the Risk Management Division validates the risk maps for reasonability of assessments and completeness and recommends appropriate mitigating controls to reduce/eliminate inherent process risks. The Group conducts RCSA twice in a year but the risk register (outcome of the RCSA) can be updated at any point in time, triggered by change(s) to processes, activities, systems or other reasons such as introduction of a new product/service or the occurrence of risk events.

Also, Internal Control conducts periodic independent control tests/checks across the Group as a key tool for revalidating the outcome of the RCSA process. This independent assessment of controls enables the Group to determine if agreed controls have been fully implemented and whether they are effective or not. In addition, the outcome of the independent control assessment, which further strengthens the control environment makes the RCSA more objective and reflective of the risk profile of the Group.

Operational risk indicators are used to track/measure as well as monitor operational risk exposures across all activities, processes and systems. Key risk indicators (KRIs) are defined for significant risks that require active monitoring and control. This process enables us to identify and resolve control issues before they crystallise into losses or to minimise losses and other damages. Tolerance levels are set for each risk indicator and used as the basis for reporting risk exposures to the respective risk committees including departmental/divisional Operational Risk Committees and the BRAFC.

Operational risk losses are periodically collated and analysed by the Risk Management Division. The analysed loss experience enables the Group to determine causal factors and put in place new controls/processes to mitigate the risk of re-occurrence. In addition, the loss collation and analysis process provides the Group with the basis for justifying the cost of new/improved controls and assessing their effectiveness. The Group's loss experience is escalated to the BRAFC supported by clearly defined remedial action plans to correct the root causes leading to the losses. Periodic operational risk meetings are held across the Group to boost risk awareness and entrench risk management culture in the Group. This meeting also affords risk owners to better appreciate control gaps and required remedial actions.

Operational risk management processes have been linked to performance management through the use of a Risk and Control Index that represents a key component of employee performance appraisals. This initiative has helped to drive the desired behaviour in employees, ensuring that there is a concerted effort by all

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employees to manage operational risks across the Group.

Independent assurance of the adequacy and effectiveness of the operational risk management process is provided by the Group Internal Audit (GIA) function on an annual basis. The assessment report is presented to the BRAFC as part of the annual review process.

The Group uses a combination of provision and insurance to mitigate residual risks arising from operational risk events. A number of insurance policies have been undertaken by the Group to minimise the loss in the event of an operational risk incident, while provision is also made for expected operational risk losses in order to minimise major variations in the financial performance of the Group.

Capital is reserved for unexpected operational risks losses based on Basel II Basic Indicator Approach, as advised by the Central Bank of Nigeria. Existing operational risk practices will enable the Group to adopt more advanced approaches in the near future – the standardised and advanced measurement approach (AMA).

The implemented operational risk management structures provide the Group with the capacity to continuously improve its processes and controls, thereby minimising losses and protecting shareholder value.

Operational risk loss experience

The Group continues to manage its various operational risk exposures in order to be within the Board approved risk appetite. It also ensures that all operational risk losses are recognised immediately in the financial year.

Internal fraud was largely controlled by FCMB through the various manual and automated controls implemented in the course of the financial period/year, even as it continues to proffer measures to reduce external fraud, which has increased in recent times. Existing controls have been strengthened to address the identified lapses and the Group continues to collaborate with other stakeholders, including regulators, to curb the spate of fraud. The implementation of a Bank Verification Number (BVN) is also expected to reduce several types of fraud and this is already yielding positive results.

In response to observed trends and emerging risks, the Group took the following measures in the course of the 2015 financial year to curb the spate of operational risk events:

- all-day (24/7) functional fraud monitoring team;
- implementation of fraud monitoring solutions to detect fraudulent card-related transactions;
- implementation of an automated fraud alert system that monitors suspicious inflow (transactions from other banks) and outflow transactions from various e-channel platforms based on fraud trends;
- monthly fraud awareness tips sent to customers and periodic fraud awareness training for staff;
- proactive implementation of fraud prevention rules based on global and local fraud trends, and in line with the Group's risk appetite; and
- activities around the major areas of vulnerabilities reviewed in order to strengthen the controls in these areas.

Operational risk awareness

The Group intensified its operational risk awareness campaign in the course of the year through several mechanisms including electronic newsletters, risk meetings/workshops, continuous training and education of staff and customers. This is to embed risk management across the entire organisation and significantly improve the risk management culture and buy-in among all employees.

Group operational risk practices

The subsidiary companies continue to improve on their operational risk management activities and reporting, thereby enhancing the Enterprise Risk Management practices in the Group.

(f) Capital Management

The Central Bank of Nigeria requires each Bank with international authorisation to hold minimum regulatory capital of ₦50 billion and maintain a capital adequacy ratio (total regulatory capital to risk weighted assets) of 15%.

The Risk Management Committee (RMC) has the delegated mandate of ensuring that capital levels (capital adequacy ratio) remain adequate and appropriate for the level of risks undertaken in the normal course of business. The committee is responsible for implementing the capital strategy of the Group which includes:

- ensuring the Group fully complies with minimum regulatory capital adequacy requirements and remains a going concern;
- ensuring the Group is adequately capitalised – that the Group has enough capital to support its level of risk exposures;
- ensuring disciplined and selective asset growth (based on desired obligor risk profile);
- maintaining expected losses (EL) within defined limits as a direct consequence of selective and disciplined asset growth;
- ensuring risks taken by the respective business lines are within approved limits and allocated capital;
- ensuring business lines generate adequate risk adjusted returns on allocated capital; and
- driving business unit and overall Group performance through the application of economic capital budgeting.

The Group's regulatory capital can be segmented into two tiers:

- tier 1 capital includes share capital, retained earnings and reserves created by appropriations to earnings. Book value of goodwill (where applicable) is deducted in arriving at Tier 1 capital. Deferred tax and regulatory risk reserve (RRR) are also deducted from capital but, the RRR is recognised as a balance sheet item (exposures are risk-weighted net of the provisions in the RRR).
- tier 2 capital includes preference shares, minority interests arising on consolidation, qualifying debt stock, fixed assets revaluation reserves, foreign currency revaluation reserves, general provisions subject to a maximum of 1.25% of risk assets, and hybrid instruments – convertible bonds, debt security qualifies for the tier 2 capital having met the conditions specified by CBN.

As directed by the CBN, the banking subsidiary crossed over to the Basel II capital measurement standard since October, 2014, replacing the Basel I capital adequacy ratio (CAR) computation with the Basel II Standardised Approach (currently, CBN requires all deposit money banks in Nigeria to adopt the standardised approach for the computation of capital adequacy ratio under pillar 1).

In line with the CBN guideline for the standardised approach, the risk weighted assets (RWA) are derived using the CBN specified risk weights (RW) for the different asset classes:

- 0% for exposures to central government and Central Bank of Nigeria;
- 100% for exposures to non-central government public sector entities;
- Exposures to state governments and local authorities;
  - 20% for state government bonds that meet the CBN eligibility criteria for classification as liquid assets.
  - 100% for other state and local government bonds and exposures
- State and local governments of other jurisdictions are assigned the sovereign RW of those jurisdictions:
  - 0% for exposures to multilateral development banks (MDBs).
- Exposures to supervised institutions:
  - 20% for short-term exposures to supervised institutions in Nigeria with an original maturity of three months or less;
  - 100% for long-term exposures to supervised institutions in Nigeria;
  - 100% for exposures to corporate and other persons; and
  - 75% for regulatory retail portfolio. However, to qualify, such exposures must meet the following criteria:

    i) Orientation criterion – the exposure is to an individual person or persons or to a small business;

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ii) Product criterion – the exposure takes the form of any of the following: revolving credits and lines of credit (including credit cards and overdrafts), personal term loans and other term loans (for example, instalment loans, auto financing loans, student and educational loans, personal finance) and small business facilities. Investment in debt and equity securities, whether listed or not, are excluded from this portfolio. Mortgage loans are also excluded to the extent that they qualify for treatment as exposures secured by residential property;

iii) Granularity criterion – the aggregate exposure to one counterpart cannot exceed 0.2% of the overall regulatory retail portfolio;

iv) Low value of individual exposures – the aggregate retail exposure to one counterparty cannot exceed an absolute threshold of ₦100 million;

- 75% for exposures secured by Mortgages on residential property provided LTV <=80% and some other conditions are met. Otherwise, 100% is applied.
- 100% for exposures secured by mortgages on commercial real estate.
- Qualifying residential mortgage loans that are past due:
  - (i) 100% when specific provisions are less than 20% of the outstanding amount of the exposure; and
  - (ii) 50% when specific provisions are 20% or more of the outstanding amount of the exposure.
- Other unsecured past due exposures (excluding past due residential mortgages):
  - (i) 150% risk weight when specific provisions are less than 20% of the outstanding amount of the exposure; and
  - (ii) 100% risk weight when specific provisions are not less than 20% of the outstanding amount of the exposure.
- Other assets:
  - (i) cash in hand and equivalent cash items shall be assigned a 0% risk weight; and
  - (ii) cheques and cash items in transit shall be assigned a 20% risk weight.
- 100% risk weight for the following: fixed assets; prepayments; investments in equity or regulatory capital instruments (unless deducted from capital); collective investment schemes; real estate; bank lending to subsidiaries in the same group (but to be deducted from capital where loan is not fully secured).
- Off balance sheet exposures are first converted to credit equivalent amount by multiplying the exposures by the related conversion factors (CCF). The capital requirement is then derived by multiplying the credit equivalent by the risk weight of the counterparty.
- Exposure to oil and gas sector above 20% of the total credit facilities attracts 125% risk weighting.

Internal capital adequacy assessment process (ICAAP)

The Group observes the following procedures in the internal capital adequacy assessment process (ICAAP):

(i) material risk identification and assessment (MRIA) process;

(ii) stress testing and scenario analysis;

(iii) internal capital assessment; and

(iv) ICAAP review and approval.

(i) Material risk identification and assessment (MRIA) process

One of the key purposes of the ICAAP is to embed the principles of risk and capital management in the Group's business activities. The MRIA process identifies the key risk exposures of the Group, determines management's assessment of the residual risk exposures and the corresponding capital requirements. The steps below are essential to completing this risk assessment.

Risk identification

A catalogue of material risks relevant to the Group are identified through a combination of the following activities:

(a) Review of the Group's operating environment – a forward and backward looking analysis of the Group's operating environment and business activities is conducted in order to identify various threats in the business and operating environment, including regulatory changes and implication on the business.

(b) Risk and control self-assessment (RCSA) review – the RCSA conducted by the various business and process owners are reviewed to identify existing and emerging risk factors.

(c) Review of internal control and audit reports – reports of Internal Control and Group Internal Audit (GIA) are reviewed to identify observed lapses, vulnerabilities and trends in the control environment.

(d) Interviews – interviews are conducted with key process owners to obtain/validate the material risks embedded in their functions.

(e) Material risk assessment workshop – a workshop is held with key stakeholders (management and key process owners) in attendance. This serves to validate the material risks already identified, as well as the controls in place for managing such risks.

Risk assessment

The activities carried out are as follows:

(a) an assessment of the identified risks is conducted by reviewing existing documentation, discussing with the risk owners and, where necessary, applying expert judgement;

(b) the inherent likelihood of occurrence and impact of the risk is determined; and

(c) the controls designed to mitigate the risks are reviewed in order to determine the residual risk exposure of the Group.

Although coordinated by Risk Management, the initial assessment above is done in conjunction with key stakeholders across the business, before a more elaborate workshop is held with management and key business and process owners. The risk assessment for the material risks will culminate in the computation of capital for each risk exposure, with the methodology also presented and validated at the workshop.

Usually, more than one material risk assessment workshop is held in order to complete and finalise the review of the risk exposures, data and methodology used for the computation. This also becomes necessary in order to determine and agree the action plans to address observed lapses and gaps. The ICAAP documentation for the MRIA will include:

- definition and sources of the risk;
- manifestation of the risk and how it could impact the Group;
- current mitigation techniques of the risks; and
- capital required for the residual risk exposure.

The ICAAP is also forward looking, ensuring that the capital plan considers the Group's strategic business plan and stress scenarios.

(ii) Stress testing and scenario analysis

This is a simulation technique used to determine

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the effect of different financial situations on the Group's capital level. These financial situations are modelled to include different scenarios such as macro-economic stress, slow growth of some business areas, sector concentration risk, etc.

The stress testing considers:

- The assumptions about the level of adverse shocks (scenarios) and their duration are plausible but severe enough to appropriately assess the resilience of the Group in the financial system.
- The framework used to assess the impact of adverse shocks on solvency (resilience) is sufficiently risk sensitive. This requires changes of risk parameters to be based on economic measures of solvency, in addition to the regulatory ones, which may not be sufficiently risk-sensitive.

The stress testing is conducted by a team of key process and business owners and is also given sufficient focus and review at the workshops.

(iii) Assessment of internal capital

This is done by comparing the Group's total internal capital (capital required to cover all material risks) with own funds (the amount of capital available to run the business). Any gap is the additional capital required to run the business of the Group in order to remain solvent and support its strategic business plan, even under near catastrophic event(s).

(iv) ICAAP review and approval

Although the Executive Management of the Group and other key stakeholders play a key role in the preparation of the Group's ICAAP, the Board of Directors has overall responsibility for the ICAAP. Therefore, it is involved in the review of the ICAAP and the final approval of the document lies with it. Subsequent to the final review and approval of the Board of Directors, the ICAAP document is forwarded to the Central Bank of Nigeria (CBN), preparatory to its Supervisory Review and Evaluation Process (SREP).

The table below shows the break-down of the banking group's regulatory capitals as at 31 December 2015 (31 December 2014):

- Tier 1 capital includes; share capital, share premium, retained earnings and reserves created by appropriations to earnings, less book value of goodwill (where applicable), deferred tax and under-impairment/ regulatory risk reserve (RRR), losses for the current financial year, investment in own shares (treasury stock), including cross holding of related companies' equity, 50% of investments in unconsolidated banking and financial subsidiary/associate companies, excess exposure(s) over single obligor without CBN approval, exposures to own financial holding company, unsecured lending to subsidiaries within the same group.
- Tier 2 capital includes preference shares, minority interests arising on consolidation, qualifying debt stock, fixed assets revaluation reserves, foreign currency revaluation reserves, hybrid instruments – convertible bonds, hybrid (debt/equity) capital instruments, eligible subordinated term debt, other comprehensive income (OCI) – (Actuarial and AFS Reserves), 50% of investments in unconsolidated banking and financial subsidiary/associate companies. Elements of tier 2 capital are limited to a maximum of one-third (i.e. 33.33%) of tier 1 capital, after making deductions for goodwill, deferred tax asset (DTA) and other intangible assets but before deductions of investments.

Debt securities issued qualify under tier 2 capital have met the following Central Bank of Nigeria conditions: they are unsecured, subordinated and fully paid-up, they are not redeemable at the initiative of the holder or without the prior consent of the Central Bank of Nigeria, the debt has an original maturity of at least five years; where there is no set maturity, repayment shall be subject to at least five years' prior notice.

Capital adequacy computation:

	BANKING GROUP	
	2015 ₦'000	2014 ₦'000
Tier 1 capital		
Share capital	**2,000,000**	2,000,000
Share premium	**100,846,691**	100,846,691
Statutory reserves	**19,036,957**	17,326,400
Other reserves	**13,957,238**	3,036,375
Retained earnings	**10,986,648**	19,566,097
Less: Goodwill	**(5,993,863)**	(5,993,863)
Deferred tax assets	**(8,166,240)**	(8,166,240)
Regulatory risk reserve	**(13,261,612)**	(4,170,499)
Investments in unconsolidated subsidiaries and associates	**-**	-
Total qualifying tier 1 capital	**119,405,819**	124,444,961
Tier 2 capital		
Translation reserve	**1,576,155**	1,077,661
Debt securities issued	**26,000,000**	26,000,000
Total qualifying tier 2 capital	**27,576,155**	27,077,661
Total regulatory capital	**146,981,974**	151,522,622
Less: investments in unconsolidated subsidiaries and associates	**-**	-
Total qualifying capital	**146,981,974**	151,522,622
Risk weighted assets		
Risk-weighted amount for credit risk	**702,145,952**	620,622,397
Risk-weighted amount for operational risk	**161,756,043**	154,261,415
Risk-weighted amount for market risk	**6,972,450**	**12,369,525**
	870,874,445	**787,253,337**
Capital adequacy ratio	**16.88%**	19.25%

Note on capital adequacy ratio

The Basel II capital adequacy ratio was 16.88% for the Banking Group, as at 31 December 2015 (31 December 2014: 19.25%), above the CBN minimum capital adequacy requirements of 15%. Also, the Group successfully raised additional Tier 2 capital of ₦26.0 billion in November, 2014. the Basel II rule for computation of capital adequacy ratio only came to force in December, 2014 and has been prospectively applied.

The Group successfully completed its internal capital adequacy assessment process (ICAAP) project in order to ensure that all material risk exposures in the Group are adequately covered by capital and improve the capital management practices in the Group.

4 Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Management discusses with the Group Audit Committee the development, selection and disclosure of the Group's critical accounting policies and their application and assumptions made relating to major estimation uncertainties. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is disclosed below.

These disclosures supplement the commentary on financial risk management (see Note 3).

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Key sources of estimation uncertainty are:

(a) Impairment

Financial assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy.

The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk functions.

A collective component of the total allowable is established for:

- groups of homogeneous loans that are not considered individually significant; and
- groups of assets that are individually significant but that were not found to be individually impaired (IBNR).

Collective allowance for the Group's homogeneous loans is established using statistical methods such as roll-rate methodology or, for small portfolios with insufficient information, a formula approach based on historic loss rate experience. The roll-rate methodology uses statistical analysis of historical data on delinquency to estimate the amount of loss. The estimate of loss arrived at on the basis of historical information is then reviewed to ensure that it appropriately reflects the economic conditions and product mix at the reporting date. Roll-rates and loss rates are regularly benchmarked against actual loss experience.

Collective allowance for groups of assets that are individually significant but that were not found to be individually impaired (IBNR) cover credit losses inherent in portfolios of loans and advances, and held-to-maturity investment securities with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired loans and advances, and held-to-maturity investment securities, but the individual impaired items cannot yet be identified. In assessing the need for collective loss allowances, management considers factors such as credit quality, portfolio size, concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on the estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

Investments in equity securities were evaluated for impairment in line with the requirements of IFRS. For an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment. In this respect, the Group regarded a decline in fair value in excess of 40% to be significant and a decline in a quoted market price that persisted for 12 months or longer to be prolonged.

An assessment as to whether an investment in debt securities is impaired may be complex. In making such an assessment, the Group considers the following factors:

- the market's assessment of credit worthiness as reflected in the bond yields;
- the rating agencies' assessments of the creditworthiness;
- the ability of the country to access the capital markets for new debt issuance; and
- the probability of debt being restructured resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

(b) Fair Value

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in the Group's accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements.

- **Level 1**: Quoted market price in an active market for an identical instrument.
- **Level 2**: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3**: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arms length.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over-the-counter structured derivatives, certain loans and security for which there is no active market and retained

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interests in securitisations. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The table below analyses financial instruments measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2015	Note	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
ASSETS					
Non-pledged trading assets	*22*	1,994,350	-	-	1,994,350
Derivative assets held	*23*	-	1,479,760	-	1,479,760
Assets pledged as collateral	*26*	7,934,482	-	-	7,934,482
Investment securities	*25(c)*	41,251,533	1,729,924	-	42,981,457
		51,180,365	3,209,684	-	54,390,049
LIABILITIES					
Derivative liabilities held	*23*	-	1,317,271	-	1,317,271
		-	1,317,271	-	1,317,271
31 December 2014					
ASSETS					
Non-pledged trading assets	*22*	741,917	-	-	741,917
Derivative assets held	*23*	-	4,503,005	-	4,503,005
Assets pledged as collateral	*26*	8,450,218	-	-	8,450,218
Investment securities	*25(c)*	70,036,025	2,231,806	-	72,267,831
		79,228,160	6,734,811	-	85,962,971
LIABILITIES					
Derivative liabilities held	*23*	-	4,194,185	-	4,194,185
		-	4,194,185	-	4,194,185

There were no reclassifications to or from level 3 of the fair value hierarchy and as such no table to show a reconciliation from the beginning balance to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

Financial instruments not measured at fair value

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

31 December 2015	Note	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total fair value ₦'000	Total carrying amount ₦'000
ASSETS						
Loans and advances to customers	*24*	-	635,420,659	-	635,420,659	592,957,417
Assets pledged as collateral	*26*	-	43,843,107	-	43,843,107	43,843,107
Investment securities	*25(a)(d)*	-	92,328,690	-	92,328,690	92,328,690
LIABILITIES						
Deposits from banks	*33*	-	5,461,038	-	5,461,038	5,461,038
Deposits from customers	*34*	-	700,216,706	-	700,216,706	700,216,706
Borrowings	*35*	-	113,371,317	-	113,371,317	113,700,194
On-lending facilities	*36*	-	30,788,571	-	30,788,571	33,846,116
Debt securities issued	*37*	-	49,112,859	-	49,112,859	49,309,394
31 December 2014						
ASSETS						
Loans and advances to customers	*24*	-	617,979,790	-	617,979,790	617,979,790
Assets pledged as collateral	*26*	-	45,362,202	-	45,362,202	53,812,420
Investment securities	*25(a)(d)*	-	76,018,999	-	76,018,999	76,018,999
LIABILITIES						
Deposits from banks	*33*	-	4,796,752	-	4,796,752	4,796,752
Deposits from customers	*34*	-	733,796,796	-	733,796,796	733,796,796
Borrowings	*35*	-	99,540,346	-	99,540,346	99,540,346
On-lending facilities	*36*	-	14,913,521	-	14,913,521	14,913,521
Debt securities issued	*37*	-	26,174,186	-	26,174,186	26,174,186

Loans and advances to customers are net of charges for impairment. The estimated fair value of loans and advances represents the market value of the loans, arrived at by recalculating the carrying amount of the loans using the estimated market rate for the loan types.

Deposits from banks and customers

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

Borrowings: the estimated fair value of borrowings represents the market value of the borrowings arrived at by recalculating the carrying amount of the borrowings using the estimated market rate for the borrowings.

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On-lending facilities: the estimated fair value of on-lending facilities represents the market value of the on-lending facilities arrived at by recalculating the carrying amount of the on-lending facilities using the estimated market rate for the on-lending facilities.

The carrying amount of all other financial liabilities are reasonable approximations of their fair values, which are repayable on demand.

No fair value disclosures were provided for unquoted equity investment securities of ₦4.00 billion (2014:₦4.04 billion) that are measured at cost because their fair value cannot be determined reliably.

(c) Depreciation and Carrying Value of Property and Equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(d) Determination of Impairment of Property and Equipment, and Intangible Assets excluding Goodwill

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

(e) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the Group-wide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

(f) Deferred Tax

The Group recognises deferred tax assets 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.

(g) Determination of Regulatory Risk Reserves

Provisions under prudential guidelines are determined using the time-based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision regime, there will be variances in the impairment allowances required under the two methodologies.

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

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

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

(ii) The non-distributable reserve (excluding regulatory risk reserve) should be classified under tier 1 as part of the core capital.

The banking subsidiary has complied with the requirements of the guidelines as follows:

Prudential adjustments for the year ended 31 December 2015

	31 December 2015 ₦'000
Loans and advances:	
Specific impairment allowances on loans to customers	9,763,386
Collective impairment allowances on loans to customers	5,959,442
Total impairment allowances on loans	15,722,828
Other financial assets:	
Specific impairment allowances on unquoted equity securities	1,299,914
Specific impairment allowances on other assets	17,140,911
Operational risk provision	2,922,889
Total impairment allowances on other financial assets	21,363,714
Total impairment allowances by the Banking subsidiary (a)	37,086,542
Total regulatory impairment based on Prudential Guidelines (b)	48,659,081
Required balance in regulatory risk reserves (c = b - a)	11,572,539
Balance, 1 January 2015	4,170,499
Additional during the year	7,402,040
Balance, 31 December 2015	11,572,539

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Prudential adjustments for the year ended 31 December 2014

	31 December 2014 ₦'000
Loans and advances:	
Specific impairment allowances on loans to customers	5,174,669
Collective impairment allowances on loans to customers	8,283,949
Total impairment allowances on loans	13,458,618
Other financial assets:	
Specific impairment allowances on unquoted equity securities	1,299,914
Specific impairment allowances on other assets	11,269,899
Operational risk provision	1,798,491
Total impairment allowances on other financial assets	14,368,304
Total impairment allowances by the Banking subsidiary (a)	27,826,922
Total regulatory impairment based on Prudential Guidelines (b)	31,997,421
Required balance in regulatory risk reserves (c = b - a)	4,170,499
Balance, 1 January 2014	5,112,237
Reversal during the year	(941,738)
Balance, 31 December 2014	4,170,499

5 Operating Segments

The Group has six reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic divisions, the Group Executive Management Committee reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Investment Banking – provides comprehensive services to highly structured large corporate organisations. The Group is also involved in capital raising activities for organisations both in money and capital markets as well as providing financial advisory services to organisations in raising funds.

Business Banking – provides banking services to Small and Medium Enterprises (SME) and commercial registered businesses with an annual turnover of less than ₦2.5 billion.

Corporate Banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products. Corporate Banking caters for the specific needs of companies and financial institutions with an annual turnover in excess of ₦5 billion.

Personal Banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages. Retail Banking caters for the needs of individuals.

Institutional Banking – government financing, financial institutions, multilateral agencies. The business unit caters for governments at various levels and their agencies.

Treasury and Financial Markets – provides funding support to various business segments while ensuring the liquidity of the Bank is not compromised. The Group is also involved in currency trading incorporating financial instruments trading and structured financing.

Information regarding the results of each reporting segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

No single external customer accounts for 10% or more of the Group's revenue.

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Information about operating segments

(i) The business segment results are as follows:

	GROUP 31 December 2015						
	Investment Banking ₦'000	Business Banking ₦'000	Corporate Banking ₦'000	Retail Banking ₦'000	Institutional Banking ₦'000	Treasury and Financial Markets ₦'000	Total ₦'000
External revenues:							
Net interest income	1,667,921	14,606,283	12,758,277	27,033,390	6,945,370	925,591	**63,936,832**
Net fee and commission income	2,068,067	3,286,628	3,428,280	5,020,879	449,371	1,581,129	**15,834,354**
Net trading income	(248,070)	-	-	-	-	1,188,355	**940,285**
Net loss from other financial instruments at fair value through profit or loss	-	-	-	-	-	149,846	**149,846**
Other revenue	2,435,433	2,561,910	1,729,177	871,580	1,039,894	197,288	**8,835,282**
Inter-segment revenue	-	829,551	(762,562)	620,215	406,402	(1,093,606)	**-**
Total segment revenue	**5,923,351**	**21,284,372**	**17,153,172**	**33,546,064**	**8,841,037**	**2,948,603**	**89,696,599**
Other material non-cash items							
Impairment losses on financial assets	931,397	1,994,935	10,541,514	1,494,055	71,558	-	**15,033,459**
Reportable segment profit before income tax	1,729,924	(2,664,482)	(588,888)	7,023,666	898,549	1,369,895	**7,768,664**
Reportable segment assets	28,803,998	122,418,693	315,271,530	90,717,183	27,584,490	399,868,722	**984,664,616**
Reportable segment liabilities	8,954,853	279,014,993	184,546,597	222,354,905	104,533,209	192,804,125	**992,208,682**

	GROUP 31 December 2014						
	Investment Banking ₦'000	**Business Banking ₦'000**	**Corporate Banking ₦'000**	**Retail Banking ₦'000**	**Institutional Banking ₦'000**	**Treasury and Financial Markets ₦'000**	**Total ₦'000**
External revenues:							
Net interest income	1,487,754	17,479,207	18,046,140	27,053,846	7,149,166	1,417,414	72,633,527
Net fee and commission income	3,080,405	4,542,461	3,424,150	824,285	785,052	1,781,549	14,437,902
Net trading income	32,362	-	-	-	-	733,457	765,819
Net loss from other financial instruments at fair value through profit or loss	-	-	-	-	-	131,428	131,428
Other revenue	981,148	2,649,272	1,967,394	3,621,664	475,620	3,154,929	12,850,027
Inter-segment revenue	-	699,765	(841,140)	462,834	697,524	(1,018,983)	-
Total segment revenue	5,581,669	25,370,705	22,596,544	31,962,629	9,107,362	6,199,794	100,818,703
Other material non-cash items							
Impairment losses on financial assets	117,019	2,194,859	3,667,146	4,286,880	373,973	-	10,639,877
Reportable segment profit before income tax	1,220,816	1,682,656	12,285,659	4,089,255	856,915	3,807,592	23,942,893
Reportable segment assets	34,075,945	147,842,067	331,503,364	140,739,320	83,813,165	235,228,588	973,202,449
Reportable segment liabilities	11,580,378	211,500,605	176,181,835	223,745,387	207,548,261	169,728,615	1,000,285,081

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for the year ended 31 December 2015 continued

(ii) Reconciliations of reportable segments revenues, profit or loss and assets and liabilities

	GROUP	
	2015 ₦'000	2014 ₦'000
Revenues		
Total revenue for reportable segments	**89,696,599**	100,818,703
Unallocated amounts	**-**	-
Elimination of inter-segment revenue	**-**	-
Total revenue	**89,696,599**	100,818,703
Profit or loss		
Total profit or loss for reportable segments	**7,768,664**	23,942,893
Unallocated amounts	**-**	-
Profit before income tax	**7,768,664**	23,942,893
Assets		
Total assets for reportable segments	**984,664,616**	973,202,449
Other unallocated amounts	**174,869,560**	196,162,335
Total assets	**1,159,534,176**	1,169,364,784
Liabilities		
Total liabilities for reportable segments	**992,208,682**	1,000,285,081
Other unallocated amounts	**4,934,207**	8,714,272
Total liabilities	**997,142,889**	1,008,999,353

Geographical areas

In presenting information on the basis of geographical areas, revenue is based on the customers' country of domicile and assets are based on the geographical location of the assets.

(iii) The geographical information result for 31 December 2015 is as follows:

	Nigeria ₦'000	Europe ₦'000	Total ₦'000
External revenues	88,567,769	1,128,830	89,696,599
Non-current assets (see Note 5 (v) below)	47,105,518	109,506	47,215,024

(iv) The geographical information result for 31 December 2014 is as follows:

	Nigeria ₦'000	Europe ₦'000	Total ₦'000
External revenues	99,987,686	831,017	100,818,703
Non-current assets (see Note 5 (v))	43,778,576	126,573	43,905,149

(v) Non-current assets includes property and equipment and intangible assets.

6 Financial Assets and Liabilities

Accounting classification measurement basis and fair values

The table below sets out the carrying amounts and fair values of the Group's financial assets and liabilities:

		2015							
	Note	Trading ₦'000	Designated at fair value ₦'000	Held to maturity ₦'000	Loans and receivables ₦'000	Available for sale ₦'000	Other amortised cost ₦'000	Total carrying amount ₦'000	Fair value ₦'000
Cash and cash equivalents	*20*	-	-	-	180,921,698	-	-	180,921,698	180,921,698
Non-pledged trading assets	*23*	1,994,350	-	-	-	-	-	1,994,350	1,994,350
Derivative assets held	*23*	-	1,479,760	-	-	-	-	1,479,760	1,479,760
Loans and advances to customers	*24*	-	-	-	592,957,417	-	-	592,957,417	635,420,659
Assets pledged as collateral	*26*	-	-	51,777,589	-	-	-	51,777,589	47,188,357
Investment securities	*25*	-		86,518,754	-	48,791,393	-	135,310,147	133,653,816
		1,994,350	**1,479,760**	**138,296,343**	**773,879,115**	**48,791,393**	**-**	**964,440,961**	**1,000,658,640**
Derivative liabilities held	*23*	-	1,317,271	-	-	-	-	1,317,271	1,317,271
Deposits from banks	*33*	-	-	-	-	-	5,461,038	5,461,038	5,461,038
Deposits from customers	*34*	-	-	-	-	-	700,216,706	700,216,706	700,216,706
Borrowings	*35*	-	-	-	-	-	113,700,194	113,700,194	113,371,317
On-lending facilities	*36*	-	-	-	-	-	33,846,116	33,846,116	30,788,571
Debt securities issued	*37*	-	-	-	-		49,309,394	49,309,394	49,112,859
		-	**1,317,271**	**-**	**-**	**-**	**902,533,448**	**903,850,719**	**900,267,762**

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	Note	2014 Trading ₦'000	Designated at fair value ₦'000	Held to maturity ₦'000	Loans and receivables ₦'000	Available for sale ₦'000	Other amortised cost ₦'000	Total carrying amount ₦'000	Fair value ₦'000
Cash and cash equivalents	*20*	-	-	-	126,293,809	-	-	126,293,809	126,293,809
Non-pledged trading assets	*23*	741,917	-	-	-	-	-	741,917	741,917
Derivative assets held	*23*	-	4,503,005	-	-	-	-	4,503,005	4,503,005
Loans and advances to customers	*24*	-	-	-	617,979,790	-	-	617,979,790	614,687,852
Assets pledged as collateral	*26*	-	-	53,812,420	-	-	-	53,812,420	40,942,629
Investment securities	*25*	-	-	68,079,431	-	80,207,399	-	148,286,830	144,150,589
		741,917	**4,503,005**	**121,891,851**	**744,273,599**	**80,207,399**	**-**	**951,617,771**	**931,319,801**
Derivative liabilities held	*23*	-	4,194,185	-	-	-	-	4,194,185	4,194,185
Deposits from banks	*33*	-	-	-	-	-	4,796,752	4,796,752	4,796,752
Deposits from customers	*34*	-	-	-	-	-	733,796,796	733,796,796	733,796,796
Borrowings	*35*	-	-	-	-	-	99,540,346	99,540,346	99,540,346
On-lending facilities	*36*	-	-	-	-	-	14,913,521	14,913,521	14,913,521
Debt securities issued	*37*	-	-	-	-	-	26,174,186	26,174,186	26,174,186
		-	**4,194,185**	**-**	**-**	**-**	**879,221,601**	**883,415,786**	**883,415,786**

Financial instruments at fair value (including those held for trading, designated at fair value, available for sale) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate, yield curves, equities and prices.

Investment securities – unquoted equity securities at cost

The above table includes ₦5.54 billion (31 December 2014: ₦7.83 billion) of equity investment securities in both the carrying amount and fair value columns that are measured at cost and for which disclosure of fair value is equal to the cost because their fair value cannot be reliably measured. The investments are neither redeemable nor transferable and there is no market for them.

	GROUP		COMPANY	
7 Interest Income	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Cash and cash equivalents	**1,257,496**	4,468,887	**513,515**	375,604
Loans and advances to customers	**99,646,910**	89,923,116	**-**	-
Investments in government and corporate securities	**22,679,159**	23,592,045	**22,911**	62,425
	123,583,565	117,984,048	**536,426**	438,029

(a) Included in the interest income on loans and advances to customers is ₦2.16 billion (2014: ₦400.37 million) interest income accrued on impaired loans and advances to customers.

(b) Included in the total interest income calculated using the effective interest method reported above that relates to financial assets not carried at fair value through profit or loss is ₦121.28 billion (2014: ₦107.09 billion).

	GROUP		COMPANY	
8 Interest Expense	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Deposits from banks	**626,980**	342,103	**-**	-
Deposits from customers	**45,331,824**	38,030,311	**-**	-
	45,958,804	38,372,414	**-**	-
Borrowings	**8,701,129**	6,414,770	**-**	-
Debt securities	**4,159,858**	563,337	**-**	-
On-lending facilities	**826,942**	-	**-**	-
	59,646,733	45,350,521	**-**	-

There were no financial liabilities carried at Fair value through profit or loss.

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9 Net Impairment Loss on Financial Assets	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
(a) Loans and advances to customers				
Specific impairment charge (see Note 24 (c (i)))	**6,993,587**	7,473,045	**-**	-
Collective impairment charge (see Note 24 (c (ii)))	**2,881,651**	3,705,493	**-**	-
Reversal of specific impairment (see Note 24 (c (i)))	**-**	(247,723)	**-**	-
Recoveries on loans previously written off	**(1,670,592)**	(1,022,116)	**-**	-
	8,204,646	9,908,699	**-**	-
(b) Other assets				
Impairment charge (see Note 32 (b))	**5,494,359**	478,445	**-**	-
	5,494,359	478,445	**-**	-
(c) Investment securities available for sale				
Impairment for investment securities available for sale	**720,110**	275,537	**-**	-
Reversal of impairment (see Note 25 (e))	**(75,398)**	(22,804)	**-**	-
	644,712	252,733	**-**	-
(d) Investment in subsidiary/Goodwill				
Impairment charge (see Note 30 (c) and 27 (a))	**689,742**	-	**689,742**	-
	689,742	-	**689,742**	-
	15,033,459	10,639,877	**689,742**	-

10 Net Fee and Commission Income	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Credit related fees	**669,386**	-	**-**	-
Commission on turnover	**2,359,010**	4,082,431	**-**	-
Letters of credit commission	**430,571**	890,533	**-**	-
Commission on off-balance sheet transactions	**595,502**	675,363	**-**	-
Cards and service fees and commissions	**14,944,500**	11,257,760	**-**	-
Gross fee and commission income	**18,998,969**	16,906,087	**-**	-
Card and cheque books recoverable expenses	**(2,752,738)**	(1,682,118)	**-**	-
Other bank charges	**(411,877)**	(786,067)	**-**	-
Fee and commission expense	**(3,164,615)**	(2,468,185)	**-**	-
Net fee and commission income	**15,834,354**	14,437,902	**-**	-

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

11 Net Trading Income	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Bonds trading income	**198,971**	179,478	**-**	-
Treasury bills trading income	**955,168**	553,979	**-**	-
Options and equity trading (loss)/income	**(213,854)**	32,362	**-**	-
	940,285	765,819	**-**	-

12 Net Income from Other Financial Instruments at Fair Value Through Profit or Loss	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Net income arising on:				
Fair value gain on derivative financial instruments held for risk management	**149,846**	131,428	**-**	-
	149,846	131,428	**-**	-

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	GROUP		COMPANY	
13 Other Income	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Dividends on equity investment securities in the subsidiaries (see Note (a) below)	**-**	-	**1,320,000**	5,450,000
Dividends on unquoted equity securities at cost (see Note (b) below)	**532,552**	467,415	**218,510**	70,102
Foreign exchange gains	**5,431,496**	9,769,431	**201,710**	320,163
Gain on disposal of investment securities (see Note (c) below)	**2,584,955**	1,270,409	**1,915,875**	354,431
Loss on disposal of subsidiaries (see Note (d) below)	**-**	(132,846)	**-**	-
Gain on sale of property and equipment	**231,328**	332,350	**108**	165
Gain on transfer of subsidiary	**-**	40,000	**-**	40,000
Other income (see Note (e) below)	**54,951**	1,103,268	**8,275**	-
	8,835,282	12,850,027	**3,664,478**	6,234,861

(a) The amount of ₦1.32 billion represents accrual for final dividend in respect of the year ended 31 December 2014 declared and approved by the Annual General Meeting of First City Monument Bank Limited. The amount of ₦5.45 billion comprises dividend received from the subsidiaries in 2014: First City Monument Bank Limited of ₦5 billion and FCMB Capital Markets Limited of ₦450 million.

(b) The amount of ₦532.55 million (2014: ₦467.42 million) represents dividend income received from unquoted equity investments held by the Group.

(c) Included in this amount is ₦1.9 billion, which represents a gain on disposal of the Group's stake in Equity Bank Kenya under the Private Equity Fund, see Note 25 (f) below, and ₦582.81 million represents a gain on disposal of investment in Central Securities Clearing System (CSCS) by the banking subsidiary, see Note 25 (d) below.

(d) This amount represents a loss on disposal of Arab Gambian Islamic Bank Limited (AGIB).

(e) Other income comprises:

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Rental income	**46,676**	365,633	**-**	-
Recoveries	**8,275**	737,635	**8,275**	-
	54,951	1,103,268	**8,275**	-

14 Personnel Expenses	GROUP 2015 ₦'000	GROUP 2014 Restated ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 Restated ₦'000
Short-term employee benefits (see Note 44 (b))	**22,060,210**	23,427,447	**204,023**	242,602
Contributions to defined contribution plans (see Note 38)	**683,196**	515,351	**8,640**	5,739
Non-payroll staff cost	**2,744,275**	3,861,105	**25,697**	58,326
	25,487,681	27,803,903	**238,360**	306,667

15 Depreciation and Amortisation	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Amortisation of Intangibles (see Note 30 (a))	**530,897**	316,720	**963**	963
Depreciation of property and equipment (see Note 29)	**3,832,119**	3,274,042	**22,297**	19,262
	4,363,016	3,590,762	**23,260**	20,225

16 General and Administrative Expenses	GROUP 2015 ₦'000	GROUP 2014 Restated ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 Restated ₦'000
Communication, stationery and postage	**2,158,580**	1,926,123	**5,050**	51,240
Business travel expenses	**1,086,143**	1,247,786	**10,420**	7,907
Advert, promotion and corporate gifts	**2,535,098**	2,102,478	**27,698**	10,646
Business premises and equipment costs	**3,907,142**	3,869,431	**16,625**	10,336
Directors' emoluments and expenses	**886,320**	881,403	**196,344**	184,120
IT expenses	**2,995,891**	2,583,586	**2,565**	1,385
Contract services and training expenses	**5,555,755**	5,197,223	**1,429**	830
Vehicles maintenance expenses	**1,340,287**	1,186,406	**1,015**	1,932
Security expenses	**2,047,753**	2,018,058	**-**	-
Auditors' remuneration (this includes interim audit fees)	**287,061**	253,970	**30,000**	30,000
Professional charges	**2,045,609**	2,341,932	**109,939**	90,364
	24,845,639	23,608,396	**401,085**	388,760

17 Other Expenses	GROUP 2015 ₦'000	GROUP 2014 Restated ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
NDIC insurance premium and other insurances	**3,999,259**	4,391,799	**2,987**	-
AMCON expenses	**5,655,943**	4,929,575	**-**	-
Others (see Note (a) below)	**2,627,503**	1,979,608	**297,184**	506,361
	12,282,705	11,300,982	**300,171**	506,361

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(a) Others comprises:

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
AGM, meetings and shareholders' expenses	**262,754**	395,916	**140,194**	220,760
Donation and sponsorship expenses	**202,562**	358,710	**-**	-
Entertainment expenses	**286,175**	376,607	**5,452**	604
Fraud and forgery loss	**13,246**	24,000	**-**	-
Rental expenses	**398,871**	116,774	**54,420**	5,859
Regulatory charges	**13,314**	17,737	**13,314**	13,268
Other accounts written off	**234,869**	208,260	**58**	226
Provision for litigation	**1,035,654**	475,604	**83,746**	265,644
Penalty (see Note 45)	**180,058**	6,000	**-**	-
	2,627,503	1,979,608	**297,184**	506,361

	GROUP		COMPANY	
18 Earnings Per Share	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Basic and diluted earnings per share				
Profit attributable to equity holders	**4,760,666**	22,133,257	2,523,055	5,396,908
Weighted average number of ordinary shares in issue (in '000s)	**19,802,710**	19,802,710	19,802,710	19,802,710
	0.24	1.12	0.13	0.27

Group does not have dilutive potential ordinary shares as at 31 December 2015 (December 2014: nil).

	GROUP		COMPANY	
19 Tax Expense	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(i) Current tax expense:				
Minimum tax	**900,532**	-	**-**	-
National Information Technology Development Agency (NITDA) levy	**110,263**	286,516	**25,231**	53,969
Tertiary education tax (see note 19 (v))	**124,292**	107,709	**-**	-
Corporate income tax	**1,882,491**	3,490,822	**-**	-
(ii) Deferred tax expense:				
Origination of temporary differences (see note 31 (b))	**(9,580)**	(2,075,411)	**-**	-
Income tax expense	**2,107,466**	1,809,636	**25,231**	53,969
Total tax expense	**3,007,998**	1,809,636	**25,231**	53,969

	GROUP		COMPANY	
	%	2015 ₦'000	%	2015 ₦'000
(iii) Reconciliation of effective tax rate				
Profit before tax		**7,684,099**		**2,548,286**
Income tax using the domestic corporation tax rate	**30.0**	**2,305,230**	**30.0**	**764,486**
National Information Technology Development Agency (NITDA) levy	**1.0**	**76,080**	**1.0**	**25,231**
Non-deductible expenses	**46.0**	**3,533,488**	**0.0**	**-**
Tax exempt income	**(23.6)**	**(1,813,717)**	**0.0**	**-**
Minimum tax	**11.7**	**900,532**	**0.0**	**-**
Unrecognised tax losses	**(27.4)**	**(2,101,324)**	**(30.0)**	**(764,486)**
Tertiary education tax	**1.4**	**107,709**	**0.0**	**-**
Total tax expense	**39.1**	**3,007,998**	**1.0**	**25,231**

	GROUP		COMPANY	
	%	2014 ₦'000	%	2014 ₦'000
Profit before tax		23,874,783		5,450,877
Income tax using the domestic corporation tax rate	30.0	7,162,435	30.0	1,635,263
National Information Technology Development Agency (NITDA) levy	1.2	286,516	1.0	53,969
Non-deductible expenses	14.8	3,533,488	0.0	-
Unrecognised tax losses	(8.7)	(2,075,411)	(30.0)	(1,635,263)
Tax exempt income	(36.5)	(8,705,101)	0.0	-
Tertiary education tax	0.5	107,709	0.0	-
Impact of excess dividend tax	6.3	1,500,000	0.0	-
Total tax expense	7.6	1,809,636	1.0	53,969

(iv) A significant portion of the Company's income derives from dividends from the subsidiary and associate companies which are not subject to tax in the hands of the Company and, as a result, the current income tax assessment for the year under review yields a tax credit in its favour. Consequently, the Company should be subject to the provisions of the Companies Income Tax Act, which mandates a minimum tax assessment, where a tax payer does not have any tax liability arising from its tax assessment.

However, the Company was exempted from the minimum tax for both current and prior years because it qualified for tax exemption. This tax exempted was granted due to the company meeting the 25% minimum capital importation rule.

The banking subsidiary was assessed based on the minimum tax legislation for the year ended 31 December 2015 because of a tax exemption granted via Companies Income

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Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011, as contained in a gazette issued by the President of the Federal Republic of Nigeria, which took effect from 2 January 2012.

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

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

Excess dividend tax in line with Section 15A of Companies Income Tax Act, which stipulates that where a company pays dividend in a year where no tax is payable due to no total profit or total profit that is less than the amount of dividend paid, whether or not the recipient of the dividend is a Nigerian company, the company paying the dividend shall be charged to a tax at the rate of 30% of the amount of dividend paid as if that is the total profit of the company. During the year ended 31 December 2015, the Group was not liable to excess dividend tax (31 December 2014: ₦1.5 billion).

The Company's tax computation was carried out by Albert Folorunsho (FRC/2013/ICAN/00000000908) of Pedabo Associates Limited.

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(v) Current income tax liability				
Beginning of the year	**4,363,544**	4,333,353	**114,246**	60,277
Tax paid	**(3,883,168)**	(3,854,856)	**(114,246)**	-
Minimum tax (see Note 19 (i))	**900,532**	-	**-**	-
National Information Technology Development Agency (Nitda) levy (see Note 19 (i))	**110,263**	286,516	**25,231**	53,969
Tertiary education tax (see Note 19 (i))	**124,292**	107,709	**-**	-
Income tax expense (see Note 19 (i))	**1,882,491**	3,490,822	**-**	-
	3,497,954	4,363,544	**25,231**	114,246
Current	**3,497,954**	4,363,544	**25,231**	114,246
Non-current	**-**	-	**-**	-
	3,497,954	4,363,544	**25,231**	114,246

20 Cash and Cash Equivalents	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Cash	**37,662,017**	26,448,441	**-**	-
Current balances within Nigeria	**383,933**	6,568,501	**4,354,446**	54,830
Current balances outside Nigeria (see Note (b) below)	**78,548,093**	62,625,209	**-**	-
Placements with local banks (see Note (c) below)	**11,780,077**	8,623,965	**2,876,750**	4,001,335
Placements with foreign banks	**7,086,313**	13,262,413	**-**	-
Unrestricted balances with Central bank	**45,461,265**	8,765,280	**-**	-
	180,921,698	126,293,809	**7,231,196**	4,056,165
Current	**180,921,698**	126,293,809	**7,231,196**	4,056,165
Non-current	**-**	-	**-**	-
	180,921,698	126,293,809	**7,231,196**	4,056,165

(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) Balance with banks outside Nigeria include ₦12.87 billion (2014: ₦6.66 billion), which represents the naira value of foreign currency amounts held by the Banking Subsidiary on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (see Note 39).

(c) Placements with local banks includes ₦7.5 billion (31 December 2014: ₦7.5 billion) which represents overnight placements with the Central Bank of Nigeria (CBN).

21 Restricted Reserve Deposits	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Restricted mandatory reserve deposits with Central bank (see Note (a) below)	**125,552,318**	146,105,573	**-**	-
	125,552,318	146,105,573	**-**	-
Current	**125,552,318**	146,105,573	**-**	-
Non-current	**-**	-	**-**	-
	125,552,318	146,105,573	**-**	-

(a) Restricted mandatory reserve deposits are not available for use in the banking subsidiary's day-to-day operations. Mandatory reserve deposits and escrow balances are non-interest bearing and are computed at different percentages (as directed by the CBN from time to time) of the banking subsidiary's deposit liabilities for private sector and public sector deposits respectively. Effective 9 April 2014, the percentage of the private sector deposit was changed from 12% to 15% and was further changed to 20% effective 25 November 2014. The percentage of public sector deposit was changed from 50% to 75% effective 4 February 2014. The rate was harmonised at 31% in May 2015 for both private and public sector deposits and dropped to 25% effective September 2015.

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	GROUP		COMPANY	
22 Non-Pledged Trading Assets	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Federal Government of Nigeria bonds – listed	**591,882**	-	**-**	-
Treasury bills – listed	**1,247,395**	110,961	**-**	-
Equity securities	**155,073**	630,956	**-**	-
	1,994,350	741,917	**-**	-
Current	**1,994,350**	741,917	**-**	-
Non-current	**-**	-	**-**	-
	1,994,350	741,917	**-**	-

	GROUP		COMPANY	
23 Derivative Assets and Liabilities Held for Risk Management	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Instrument type				
Assets				
– options	**1,391,892**	4,421,201	**-**	-
– interest rate swap	**87,868**	81,804	**-**	-
	1,479,760	4,503,005	**-**	-
Current	**-**	-	**-**	-
Non-current	**1,479,760**	4,503,005	**-**	-
	1,479,760	4,503,005	**-**	-
Liabilities				
– options	**1,214,104**	4,104,808	**-**	-
– interest rate swap	**103,167**	89,377	**-**	-
	1,317,271	4,194,185	**-**	-
Current	**-**	-	**-**	-
Non-current	**1,317,271**	4,194,185	**-**	-
	1,317,271	4,194,185	**-**	-

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

Market transactions: The banking subsidiary has entered into back-to-back options on Dated Brent with regards to the customer transactions with market counterparties to mitigate the market risk exposure on the customer transactions.

The banking subsidiary has not applied hedge accounting.

The fair value gains and losses have been presented in the profit or loss (see Note 12).

24 Loans and Advances to Customers

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(a) Loans and advances to customers at amortised cost	**595,948,369**	621,704,427	**-**	-
Finance leases at amortised cost	**15,111,332**	11,670,770	**-**	-
Gross loans	**611,059,701**	633,375,197	**-**	-
Less allowance for impairment:				
On loans and advances to customers	**(17,851,341)**	(15,023,255)	**-**	-
On finance leases (see Note (b) below)	**(250,943)**	(372,152)	**-**	-
Total allowance for impairment	**(18,102,284)**	(15,395,407)	**-**	-
	592,957,417	617,979,790	**-**	-
Current	**267,685,541**	201,960,998	**-**	-
Non-current	**325,271,876**	416,018,792	**-**	-
	592,957,417	617,979,790	**-**	-

	GROUP					
	2015			2014		
	Gross amount	**Impairment allowance**	**Carrying amount**	Gross amount	Impairment allowance	Carrying amount
Retail customers:						
Mortgage lending	**2,154,538**	**(12,950)**	**2,141,588**	4,282,907	(120,440)	4,162,467
Personal loans	**128,795,993**	**(4,306,392)**	**124,489,601**	118,898,106	(2,723,145)	116,174,961
Credit cards	**2,249,009**	**(26,993)**	**2,222,016**	379,890	(8,248)	371,642
Corporate customers:						
Other secured lending	**462,748,829**	**(13,505,006)**	**449,243,823**	498,143,524	(12,171,422)	485,972,102
	595,948,369	**(17,851,341)**	**578,097,028**	621,704,427	(15,023,255)	606,681,172

Retail customers represent loans availed to individuals, unregistered small and medium scale businesses and all other unstructured business ventures; while corporate customers represent loans availed to corporate bodies and government agencies.

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	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(b) Finance lease				
Loan and advances to customers at amortised cost include the following finance lease:				
Gross investment:				
Less than one year	**6,379,837**	4,982,310	**-**	-
Between one and five years	**14,160,372**	13,860,424	**-**	-
More than five years	**1,554,776**	1,756,584	**-**	-
	22,094,985	20,599,318	**-**	-
Unearned finance income	**(6,983,653)**	(8,928,548)	**-**	-
Net investment in finance leases	**15,111,332**	11,670,770	**-**	-
Less impairment allowance	**(250,943)**	(372,152)	**-**	-
	14,860,389	11,298,618	**-**	-
Net investment in finance leases				
Net investment in finance leases, receivables:				
Less than one year	**3,023,616**	2,698,989	**-**	-
Between one and five years	**11,063,356**	8,340,232	**-**	-
More than five years	**1,024,360**	631,549	**-**	-
	15,111,332	11,670,770	**-**	-

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(c) Movement in allowances for impairment				
(i) Specific allowances for impairment				
Balance at 1 January	**6,574,749**	3,206,245	**-**	-
Impairment loss for the year:				
Charge for the year (see Note 9 (a))	**6,993,587**	7,473,045	**-**	-
Impairment reversals	**-**	(247,723)	**-**	-
Write-offs	**(2,079,345)**	(3,856,818)	**-**	-
	11,488,991	6,574,749	**-**	-
(ii) Collective allowances for impairment				
Balance at 1 January	**8,820,658**	8,631,674	**-**	-
Impairment loss for the year:				
Charge for the year (see Note 9 (a))	**2,881,651**	3,705,493	**-**	-
Write-offs	**(5,089,016)**	(3,516,509)	**-**	-
	6,613,293	8,820,658	**-**	-
	18,102,284	15,395,407	**-**	-

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(d) Classification of loans by security type				
Secured against real estate	**100,519,015**	97,287,082	**-**	-
Secured by shares of quoted companies	**2,099,461**	1,104,522	**-**	-
Cash collateral, lien over fixed and floating assets	**282,659,034**	237,109,675	**-**	-
Otherwise secured	**78,410,455**	199,763,165	**-**	-
Unsecured	**147,371,736**	98,110,753	**-**	-
	611,059,701	633,375,197	**-**	-

(e) Impaired loans that are not individually significant are included in the collective impairment. Therefore, when such loans are written off, the cumulative impairment on them is taken from the collective impairment allowance. The loans written off during the year had been fully provisioned in the books.

(f) None of the related party loans was impaired as at year end and as such no impairment was taken on related party loans (2014: nil).

	GROUP		COMPANY	
25 Investment Securities	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Held-to-maturity (see Note (a) below)	**86,518,754**	68,079,431	**169,466**	-
Available-for-sale (see Note (b) below)	**48,791,393**	80,207,399	**1,844,155**	2,828,220
	135,310,147	148,286,830	**2,013,621**	2,828,220
Current	**-**	93,902,997	**-**	-
Non-current	**135,310,147**	54,383,833	**2,013,621**	2,828,220
	135,310,147	148,286,830	**2,013,621**	2,828,220
(a) Held-to-maturity investment securities				
Federal Government of Nigeria (FGN) bonds – listed	**56,088,570**	46,151,852	**-**	-
State Government bonds – unlisted	**15,118,111**	10,559,552	**-**	-
Treasury bills	**229,367**	1,530,202	**-**	-
Corporate bonds – unlisted	**15,082,706**	9,837,825	**169,466**	-
	86,518,754	68,079,431	**169,466**	-
(b) Available-for-sale investment securities				
Federal Government of Nigeria (FGN) bonds – listed	**1,148,445**	445,342	**-**	-
Treasury bills – listed	**38,878,936**	68,711,397	**-**	-
Equity securities measured at fair value (see Note (c) below) – listed/unlisted	**2,954,076**	3,219,096	**-**	-
Unquoted equity securities measured at cost (see Note (d)) – unlisted	**5,538,704**	7,831,564	**1,572,923**	2,828,220
Unclaimed dividend investment fund (see Note (g))	**271,232**	-	**271,232**	-
	48,791,393	80,207,399	**1,844,155**	2,828,220

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for the year ended 31 December 2015 continued

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	2015 ₦'000	2014 ₦'000
(c) Equity securities measured at fair value under available-for-sale investments				
Helios Towers Mauritius (HTM) Private Placement Underwriting	**1,729,924**	2,231,806	**-**	-
DAAR Communications Underwriting	**37,277**	37,277	**-**	-
Environmental Remediation Holding Company Plc	**10,450**	127,088	**-**	-
Unity Bank Plc	**1,253**	560	**-**	-
UTC Nigeria Plc	**11**	11	**-**	-
Central Securities Clearing System	**19,215**	12,600	**-**	-
WAMCO	**5,495**	-	**-**	-
Financial Derivative Ltd	**10,000**	10,000	**-**	-
Industrial and General Insurance Plc	**5,990**	24,503	**-**	-
Food Concepts Limited	**2,310**	1,800	**-**	-
Zenith Bank Plc	**342,551**	-	**-**	-
Hygeia Nigeria Limited	**-**	601	**-**	-
Legacy Short Maturity Fund	**30,250**	-	**-**	-
Legacy Equity Fund	**45,000**	58,500	**-**	-
Standard Alliance Co Plc	**714,350**	714,350	**-**	-
	2,954,076	3,219,096	**-**	-
(d) Unquoted equity securities at cost under available-for-sale investments				
Credit Reference Company Limited	**61,111**	61,111	**-**	-
Nigeria Inter-bank Settlement System Plc	**102,970**	102,970	**-**	-
Africa Finance Corporation	**2,558,388**	2,558,388	**-**	-
Rivers State Microfinance Agency	**1,000,000**	1,000,000	**-**	-
Private Equity Funds (see Note (f) below)	**1,572,923**	2,828,220	**1,572,923**	2,828,220
SME Investments	**1,087,967**	1,091,848	**-**	-
First Concepts & Properties Limited	**-**	1,040,175	**-**	
Africa Export-Import Bank, Cairo	**144,805**	144,805	**-**	-
Central Securities Clearing System	**-**	87,500	**-**	-
Express Discount House	**64,415**	64,415	**-**	-
Smartcard Nigeria Plc	**22,804**	22,804	**-**	-
ATSC Investment	**50,000**	50,000	**-**	-
Currency Sorting Co	**24,640**	24,640	**-**	-
IMB Energy Master Fund	**100,000**	100,000	**-**	-
FMDQ (OTC) Plc	**30,000**	30,000	**-**	-
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	**18,595**	-	**-**	-
	6,838,618	9,206,876	**1,572,923**	2,828,220
Specific impairment for equities (see Note (e) below)	**(1,299,914)**	(1,375,312)	**-**	-
Carrying amount	**5,538,704**	7,831,564	**1,572,923**	2,828,220

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(e) Specific allowances for impairment against unquoted equity securities at cost under available-for-sale investments				
Balance at 1 January	**1,375,312**	1,122,578	**-**	-
Reversal of impairment (see Note 9 (c))	**(75,398)**	(22,804)	**-**	-
Charge for the year (see Note 9 (c))	**-**	275,538	**-**	-
Balance at end of the year	**1,299,914**	1,375,312	**-**	-

(f) During the year, the Group under the Private Equity Fund disposed off its stake in Equity Bank, Kenya. This resulted in a gain of ₦1.9 billion on disposal (see Note 13 (c)).

(g) In line with the Security and Exchange Commission (SEC) recent rule, CardinalStone Registrars Limited (Registrars to the Company) during the year transferred 90% of the total unclaimed dividend under their custody to the Company. The amount transferred was ₦255.04 million. The company earned an income of ₦16.19 million within the year from the investment of the unclaimed dividend.

(h)The cost of AFS investments was disclosed because its fair value could not be reliably measured.

(i) All debt securities have fixed coupons.

	GROUP		COMPANY	
26 Assets Pledged as Collateral	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
The nature and carrying amounts of the non-tradable financial assets pledged as collaterals are as follows:				
Treasury bills – listed	**7,934,482**	8,450,218	**-**	-
Federal Government of Nigeria (FGN) bonds – listed	**43,843,107**	45,362,202	**-**	-
	51,777,589	53,812,420	**-**	-
Current	**15,607,982**	20,588,198		-
Non-current	**36,169,607**	33,224,222	**-**	-
	51,777,589	53,812,420	**-**	-

As at the year ended, the Group held no collateral that it was permitted to sell or re-pledge in the absence of default by the owner of the collateral (31 December 2014: Nil).

This represents pledged assets to these parties:

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		GROUP		COMPANY	
Counterparties	**Reasons for pledged securities**	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Nigeria Inter-bank Settlement Plc (NIBSS)	cards, POS transactions settlements	**1,184,482**	1,184,482	**-**	-
Interswitch Nigeria Limited	cards, POS transactions settlements	**250,000**	250,000	**-**	-
Federal Inland Revenue Service (FIRS)	Third parties collection transactions	**1,500,000**	2,600,000	**-**	-
Central Bank of Nigeria (CBN)	Third parties clearing instruments	**15,000,000**	15,000,000	**-**	-
Bank of Industry (BOI)	On-lending facilities to customers	**14,980,800**	17,534,516	**-**	-
Standard Bank London	Borrowed funds repo transactions	**12,013,422**	17,243,422	**-**	-
Stanbic IBTC	Borrowed funds repo transactions	**6,848,885**	-	**-**	-
		51,777,589	53,812,420	**-**	-

	GROUP		COMPANY	
27 Investment in Subsidiaries	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(a) Investment in subsidiaries comprises:				
First City Monument Bank Limited (see Note (c) below)	**-**	-	**115,422,326**	115,422,326
FCMB Capital Markets Limited (see Note (d) below)	**-**	-	**240,000**	240,000
CSL Stockbrokers Limited (CSLS) (see Note (e) below)	**-**	-	**3,053,777**	3,053,777
CSL Trustees Limited (see Note (f) below)	**-**	-	**220,000**	40,000
		-	**118,936,103**	118,756,103
Specific allowances for impairment	**-**	-	**(689,742)**	-
Carrying amount	**-**	-	**118,246,361**	118,756,103
Current	**-**	-	**-**	-
Non-current	**-**	-	**118,246,361**	118,756,103
	-	-	**118,246,361**	118,756,103

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Specific allowances for impairment				
Balance at 1 January	**-**	-	**-**	-
Charge for the year (see Note 9 (d))	**-**	-	**689,742**	-
Balance at 31 December	**-**	-	**689,742**	-

(b) Group entities

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

Company name	Country of incorporation	Nature of business	Percentage of equity capital held (direct holdings)	Financial year end
(1) First City Monument Bank Limited (see Note (c) below)	**Nigeria**	**Banking**	**100%**	**31 December**
(2) FCMB Capital Markets Limited (see Note (d) below)	**Nigeria**	**Capital Market**	**100%**	**31 December**
(3) CSL Stockbrokers Limited (CSLS) (see Note (e) below)	**Nigeria**	**Stockbroking**	**100%**	**31 December**
(4) CSL Trustees Limited (see Note (f) below)	**Nigeria**	**Trusteeship**	**100%**	**31 December**

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

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

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

(f) This represents the cost of the Company's 100% equity holding in CSL Trustees Limited. The Company was incorporated on 24 November 2010. The company invested additional ₦180 million in CSL Trustees Limited in September 2015 in order to recapitalise the business in line with the new SEC minimum capitalisation policy of ₦300 million for trustee business in Nigeria.

(g) There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

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

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28 Investment in Associates	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
(a) Investment in associate company:				
Balance at 1 January 2015	**647,399**	568,512	**418,577**	407,800
Share of profit transfer out of reserve	**84,565**	68,110	**-**	-
Additions during the year	**-**	10,777	**-**	10,777
Balance at year end	**731,964**	647,399	**418,577**	418,577
(b) Summarised financial information of the Group's principal associate company:				
Assets	**3,166,075**	2,767,505	**3,166,075**	2,767,505
Liabilities	**579,628**	479,876	**579,628**	479,876
Net assets	**2,586,448**	2,287,630	**2,586,448**	2,287,630
Revenues	**2,278,438**	2,070,682	**2,278,438**	2,070,682
Profit	**970,469**	950,767	**970,469**	950,767

(c) This represents the Company's 28.30% (2014: 28.30%) equity interest holding in Legacy Pension Fund Limited, a pension fund manager licensed to carry on the business of fund and pension management. The company was incorporated in April 2005 and commenced operations in May 2005. The Group acquired its initial 25% equity holding in February 2008.

29 Property and Equipment (GROUP)	Leasehold improvement and buildings ₦'000	Motor vehicles ₦'000	Furniture, fittings and equipment ₦'000	Computer equipment ₦'000	Capital work in progress ₦'000	Total ₦'000
Cost						
Balance at 1 January 2015	24,709,746	6,112,726	15,093,250	9,534,961	3,887,506	59,338,189
Additions during the year	1,656,885	621,678	3,465,217	270,191	435,816	6,449,787
Transfer to other assets	(1,624,373)	-	-	-	-	(1,624,373)
Disposal during the year	(32,888)	(1,773,405)	(257,539)	(56,542)	-	(2,120,374)
Translation difference	563	971	1,796	966	-	4,296
Balance at 31 December 2015	**24,709,933**	**4,961,970**	**18,302,724**	**9,749,576**	**4,323,322**	**62,047,525**

GROUP

	Leasehold improvement and buildings ₦'000	Motor vehicles ₦'000	Furniture, fittings and equipment ₦'000	Computer equipment ₦'000	Capital work in progress ₦'000	Total ₦'000
Accumulated depreciation and impairment losses						
Balance at 1 January 2015	5,760,967	4,740,581	10,567,259	7,776,075	2,101,500	30,946,382
Transfer to other assets	(441,760)	-	-	-	-	(441,760)
Charge for the year (see Note 15)	859,487	631,634	1,601,014	739,984	-	3,832,119
Eliminated on disposal	(32,788)	(1,773,195)	(257,449)	(56,332)	(142,934)	(2,262,698)
Translation difference	255	490	1,166	833	-	2,744
Balance at 31 December 2015	**6,146,161**	**3,599,510**	**11,911,990**	**8,460,560**	**1,958,566**	**32,076,787**
Carrying amounts:						
Balance at 31 December 2015	**18,563,772**	**1,362,460**	**6,390,734**	**1,289,016**	**2,364,756**	**29,970,738**
Balance at 31 December 2014	**18,948,779**	**1,372,145**	**4,525,991**	**1,758,886**	**1,786,006**	**28,391,807**

COMPANY

	Leasehold improvement and buildings ₦'000	Motor vehicles ₦'000	Furniture, fittings and equipment ₦'000	Computer equipment ₦'000	Capital work in progress ₦'000	Total ₦'000
Cost						
Balance at 1 January 2015	5,181	58,987	7,575	2,942	-	74,685
Additions during the year	-	6,900	59	263	-	7,222
Disposal during the year	-	(4,661)	-	-	-	(4,661)
Balance at 31 December 2015	5,181	61,226	7,634	3,205	-	77,246
Accumulated depreciation and impairment losses						
Balance at 1 January 2015	641	14,928	2,139	639	-	18,347
Charge for the year (see Note 15)	518	19,175	1,823	781	-	22,297
Eliminated on disposal	-	(4,661)	-	-	-	(4,661)
Balance at 31 December 2015	1,159	29,442	3,962	1,420	-	35,983
Carrying amounts:						
Balance at 31 December 2015	**4,022**	**31,784**	**3,672**	**1,785**	**-**	**41,263**
Balance at 31 December 2014	**4,540**	**44,059**	**5,436**	**2,302**	**-**	**56,337**

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for the year ended 31 December 2015 continued

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Current	**-**	-	**-**	-
Non-current	**29,970,738**	28,391,807	**41,263**	56,337
	29,970,738	28,391,807	**41,263**	56,337

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year ended (31 December 2014: nil). There were no restrictions on title of any property and equipment. There were no property and equipment pledged as security for liabilities. There were no contractual commitments for the acquisition of property and equipment.

	GROUP		COMPANY	
30 Intangible Assets	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(a) Software				
Cost				
Beginning of the year	**3,645,396**	2,611,527	**3,851**	3,851
Derecognised balance due to divested subsidiary	**-**	(5,638)	**-**	-
Additions during the year	**542,269**	949,426	**-**	-
Work-in-progress	**1,297,032**	75,679	**-**	-
Translation difference	**7,195**	14,402	**-**	-
End of the year	**5,491,892**	3,645,396	**3,851**	3,851
Amortisation				
Beginning of the year	**2,292,156**	2,026,069	**1,043**	80
Derecognised balance due to divested subsidiary	**-**	(1,813)	**-**	-
Reclassification	**-**	(58,529)	**-**	-
Charge for the year (see Note 15)	**530,897**	316,720	**963**	963
Translation difference	**5,628**	9,709	**-**	-
End of the year	**2,828,681**	2,292,156	**2,006**	1,043
Carrying amount	**2,663,211**	1,353,240	**1,845**	2,808
(b) Goodwill				
Beginning of the year	**6,995,070**	6,995,070	**-**	-
Impairment charge (see Note (c) below)	**(689,742)**	-	**-**	-
At end of the year	**6,305,328**	6,995,070	**-**	-
	8,968,539	8,348,310	**1,845**	2,808
Current	**-**	-	**-**	-
Non-current	**8,968,539**	8,348,310	**1,845**	2,808
	8,968,539	8,348,310	**1,845**	2,808

(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 Directors of the Company are of the opinion that there is objective indication that the goodwill recognised on the acquisition of CSL Stockbrokers Limited has been impaired due to the downturn in the stockbroking business. Impairment charge of ₦689.74 million was taken in 2015 (2014: nil).

(d) There were no capitalised borrowing costs related to the acquisition of any internal development of software during the year (31 December 2014: nil).

31 Deferred Tax Assets and Liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	GROUP					
	31 December 2015			31 December 2014		
	Assets ₦'000	**Liabilities ₦'000**	**Net ₦'000**	Assets ₦'000	Liabilities ₦'000	Net ₦'000
Property and equipment	**1,147,797**	**(56,155)**	**1,091,642**	1,123,549	(41,487)	1,082,062
Defined benefits	**157,779**	**-**	**157,779**	194,310	-	194,310
Allowances for loan losses	**2,339,356**	**(12,283)**	**2,327,073**	2,327,073	-	2,327,073
Unrelieved loss carried forward	**4,521,309**	**-**	**4,521,309**	4,521,309	-	4,521,309
Net tax assets/(liabilities)	**8,166,241**	**(68,438)**	**8,097,803**	8,166,241	(41,487)	8,124,754
Deferred tax assets						
Current			**-**	-		
Non-current			**8,166,241**	8,166,241		
			8,166,241	8,166,241		
Deferred tax liabilities						
Current			**-**	-		
Non-current			**68,438**	41,487		
			68,438	41,487		

(b) Movements in temporary differences during the year ended 31 December 2015:

	GROUP 2015			
	Balance at 1 January	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Balance at 31 December**
Property and equipment	**1,082,062**	**9,580**	**-**	**1,091,642**
Defined benefits	**157,779**	**-**	**-**	**157,779**
Allowances for loan losses	**2,327,073**	**-**	**-**	**2,327,073**
Unrelieved loss carried forward	**4,521,309**	**-**	**-**	**4,521,309**
	8,088,223	**9,580**	**-**	**8,097,803**

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Movements in temporary differences during the year ended 31 December 2014:

	GROUP 2014			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December
Property and equipment	894,552	187,510	-	1,082,062
Defined benefits	220,057	199,122	(261,400)	157,779
Allowances for loan losses	1,662,717	664,356	-	2,327,073
Unrelieved loss carried forward	3,496,886	1,024,423	-	4,521,309
	6,274,212	2,075,411	(261,400)	8,088,223

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(c) Unrecognised deferred tax assets				
Deferred tax assets have not been recognised in respect of the following items:				
Unrelieved losses	**4,812,271**	1,195,882	**623,607**	5,955
Provision for terminated gratuity not yet paid	**(221,402)**	-	**-**	-
Allowance for loan losses	**(544,943)**	-	**-**	-
Property and equipment (utilised capital allowance)	**1,911,818**	696,367	**43,621**	280,278
	5,957,744	1,892,249	**667,228**	286,233

Deferred tax assets have not been recognised in respect of these items because it is not presently probable that future taxable profit will be available against which the Group can utilise the benefits.

32 Other Assets	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
(a) Other financial assets				
Accounts receivable	**34,198,432**	33,293,055	**1,420,000**	5,450,000
Other non-financial assets:				
Prepayments	**4,469,162**	3,431,587	**5,398**	2,080
Consumables	**578,609**	731,564	**-**	-
	39,246,203	37,456,206	**1,425,398**	5,452,080
Less specific allowances for impairment (see Note (b) below)	**(17,542,788)**	(11,368,523)	**-**	-
	21,703,415	26,087,683	**1,425,398**	5,452,080
Current	**6,821,257**	13,298,749	**1,425,398**	5,452,080
Non-current	**14,882,158**	12,788,934	**-**	-
	21,703,415	26,087,683	**1,425,398**	5,452,080
(b) Movement in impairment on other assets				
At start of the year	**11,368,523**	11,909,052	**-**	-
Increase in impairment (see Note 9 (b))	**5,494,359**	478,445	**-**	-
Amounts written back	**750,000**	-		
Amounts written off	**(70,094)**	(1,018,974)	**-**	-
At end	**17,542,788**	11,368,523	**-**	-

33 Deposits from Banks	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Other deposits from banks	**5,461,038**	4,796,752	**-**	-
	5,461,038	4,796,752	**-**	-
Current	**5,461,038**	4,796,752	**-**	-
Non-current	**-**	-	**-**	-
	5,461,038	4,796,752	**-**	-
Other deposits from banks comprise:				
FBNBank UK Limited (see Note (a) below)	**5,083,993**	-	**-**	-
United Bank for Africa (UBA), New York	**-**	3,739,566	**-**	-
Other foreign banks	**377,045**	1,057,186	**-**	-
	5,461,038	4,796,752	**-**	-

(a) The amount of ₦5,083,993,000 (USD 25,509,247) (December 2014: nil) represents interbank takings from FBNBank UK Limited repayable after a tenor of 170 days with an interest rate of six months' LIBOR + 1.75%.

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

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	GROUP		COMPANY	
34 Deposits from Customers	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Retail customers:				
Term deposits	**142,859,562**	124,417,973	**-**	-
Current deposits	**213,835,277**	210,851,945	**-**	-
Savings	**112,728,490**	87,034,844	**-**	-
	469,423,329	422,304,762	**-**	-
Corporate customers:				
Term deposits	**109,786,822**	110,733,909	**-**	-
Current deposits	**121,006,555**	200,758,125	**-**	-
	230,793,377	311,492,034	**-**	-
	700,216,706	733,796,796	**-**	-
Current	**693,858,527**	733,693,839	**-**	-
Non-current	**6,358,179**	102,957	**-**	-
	700,216,706	733,796,796	**-**	-

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

	GROUP		COMPANY	
35 Borrowings	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Standard Bank, London (see Note (a) (i) below)	**9,981,231**	9,290,151	**-**	-
Standard Bank, London (see Note (a) (ii) below)	**-**	1,267,371	**-**	-
Standard Bank, London (see Note (a) (iii) below)	**-**	4,680,312	**-**	-
Standard Chartered Bank, London (see Note (a) (iv) below)	**-**	27,875,239	**-**	-
International Finance Corporation (IFC) (see Note (a) (v) below)	**1,668,644**	2,183,672	**-**	-
International Finance Corporation (IFC) (see Note (a) (vi) below)	**4,171,610**	5,460,880	**-**	-
International Finance Corporation (IFC) (see Note (a) (vii) below)	**10,009,976**	9,159,368	**-**	-
International Finance Corporation (IFC) (see Note (a) (viii) below)	**7,507,482**	7,028,983	**-**	-
International Finance Corporation (IFC) (see Note (a) (ix) below)	**6,306,771**	-	**-**	-
Citibank, N.A (OPIC) (see Note (a) (x) below)	**-**	545,545	**-**	-
Citibank, Nigeria (OPIC) (see Note (a) (xi) below)	**-**	174,163	**-**	-
Bank of Industry (BOI), Nigeria (see Note (a) (xii) below)	**-**	164,822	**-**	-

35 Borrowings	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
Netherlands Development Finance Company (FMO) (see Note (a) (xiii) below)	**4,993,001**	4,559,315	**-**	-
Netherlands Development Finance Company (FMO) (see Note (a) (xiv) below)	**4,993,001**	4,651,758	**-**	-
Netherlands Development Finance Company (FMO) (see Note (a) (xv) below)	**1,996,302**	1,859,555	**-**	-
European Investment Bank (EIB) (see Note (a) (xvi) below)	**6,585,303**	6,116,060	**-**	-
Standard Bank, S.A (see Note (a) (xvii) below)	**5,016,923**	-	**-**	-
Mashreq Bank, New York (see Note (a) (xviii) below)	**-**	2,779,041	**-**	-
Mashreq Bank, New York (see Note (a) (xix) below)	**-**	4,631,336	**-**	-
Mashreq Bank, New York (see Note (a) (xx) below)	**-**	1,851,414	**-**	-
Standard Bank, London (see Note (a) (xxi) below)	**1,284,167**	-	**-**	-
Citibank, Nigeria (see Note (a) (xxii) below)	**4,989,806**	-	**-**	-
Citibank, N.A (OPIC) (see Note (a) (xxiii) below)	**14,947,402**	-	**-**	-
Commerzbank Led Syndicated Facility (see Note (a) (xxiv) below)	**15,424,233**	-	**-**	-
Engr. Tajudeen Amoo (see Note (a) (xxv) below)	**1,833,302**	259,949	**-**	-
Financial Derivatives Company Limited (see Note (a) (xxvi) below)	**268,980**	277,017	**-**	-
First City Asset Management (FCAM) (see Note (a) (xxvii) below)	**8,236,220**	3,831,794	**-**	-
Supra Finance Limited (see Note (a) (xxviii) below)	**-**	81,036	**-**	-
Udodong Grace (see Note (a) (xxix) below)	**-**	103,207	**-**	-
Temitope Popoola (see Note (a) (xxx) below)	**29,000**	-	**-**	-
Living Faith (see Note (a) (xxxi) below)	**3,456,840**	-		
UBS AG, United Kingdom (see Note (a) (xxxii) below)	**-**	708,358		
	113,700,194	99,540,346	**-**	-
Current	**39,477,030**	26,793,500	**-**	-
Non-current	**74,223,164**	72,746,846	**-**	-
	113,700,194	99,540,346	**-**	-

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(a) (i) The amount of ₦9,981,231,402 (USD 50,000,000) (31 December 2014: ₦9,290,151,000) represents a secured renewed facility granted by Standard Bank, London repayable after a tenor of five years, maturing 30 June 2018 with an interest rate of three months' LIBOR + 3.0% payable quarterly. The facility is secured by Federal Government of Nigeria bonds.

ii) This represents a facility that has been repaid as at 31 December 2015: Nil (31 December 2014: 1,267,371,000 (USD 6,702,500)) granted by Standard Bank, London repayable after a tenor of 365 days, matured 19 June 2015 with an interest rate of 2.6%. The facility was secured by Federal Government of Nigeria bonds.

iii) This represents a facility that has been repaid as at 31 December 2015: Nil (31 December 2014: ₦4,680,312,000 (USD 25,000,000)) granted by Standard Bank, London repayable after a tenor of two years, matured 25 July 2015 with an interest rate of three months' LIBOR + 2.0% payable quarterly. The facility is secured by Federal Government of Nigeria bonds.

iv) This represents a facility that has been repaid as at 31 December 2015: Nil, (31 December 2014: ₦27,875,239,000 (USD 150,000,000)) granted by Standard Chartered Bank, London repayable after a tenor of two years, matured 23 December 2015 with an interest rate of 3.65% above LIBOR payable quarterly. This is a syndicated facility where the lead arrangers and bookrunners are Standard Chartered Bank, London and Commerzbank, Germany respectively.

v) The amount of ₦1,668,643,768 (USD 20,000,000) (31 December 2014: ₦2,183,672,000) represents the outstanding balance of the unsecured convertible facility granted by International Finance Corporation (IFC) repayable after a tenor of seven years, maturing 29 November 2017 with an interest rate of six months' LIBOR plus spread of 400–450 basis points payable semi-annually.

vi) The amount of ₦4,171,610,364 (USD 50,000,000) (31 December 2014: ₦5,460,880,000) represents the outstanding balance of the unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of seven years maturing 29 November 2017 with an interest rate of six months' LIBOR plus spread of 400–450 basis points payable semi-annually.

vii) The amount of ₦10,009,976,291 (USD 50,000,000) (December 2014: ₦9,159,368,000) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of five years maturing 9 October 2019 with an interest rate of three months' LIBOR + 3.65%.

viii) The amount of ₦7,507,482,219 (USD 37,500,000) (31 December 2014: ₦7,028,983,000) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of five years maturing 9 October 2019 with an interest rate of six months' LIBOR + 4.75%.

ix) The amount of ₦6,306,770,699 (USD 31,500,000) (31 December 2014: Nil) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of three years maturing 19 February 2017 with an interest rate of six months' LIBOR + 4.0%.

x) This represent a facility that has been repaid as at 31 December 2015: Nil (31 December 2014: ₦545,545,000 (USD 15,000,000)) granted by Citibank NA repayable after a tenor of three years matured 25 June 2015 with an interest rate of six months' LIBOR plus spread of 400–450 basis points payable quarterly.

xi) This represent a facility that has been repaid as at 31 December 2015: Nil (31 December 2014: ₦174,163,000 (USD 5,000,000)) granted by Citibank Nigeria repayable after a tenor of three years matured 25 June 2015 with an interest rate of six months' LIBOR plus spread of 400–450 basis points payable quarterly.

xii) This represents a facility that has been repaid as at 31 December 2015 Nil (31 December 2014: ₦164,822,000) relates to Bank of Industry (BOI) related loans for manufacturing/SME funds for 10- to 15-year term.

xiii) The amount of ₦4,993,000,935 (USD 25,000,000) (31 December 2014: ₦4,559,315,000) represents an unsecured facility granted by Netherlands Development Finance Company (FMO) repayable after a tenor of six years, maturing 30 June 2020 with an interest rate of six months' LIBOR + 4.5%.

xiv) The amount of ₦4,993,000,935 (USD 25,000,000) (31 December 2014: ₦4,651,758,000) represents an unsecured facility granted by Netherlands Development Finance Company (FMO) repayable after a tenor of six years, maturing 30 June 2020 with an interest rate of six months' LIBOR + 4.5%.

xv) The amount of ₦1,996,301,659 (USD 10,000,000) (December 2014: ₦1,859,555,000) represents an unsecured facility granted by Netherlands Development Finance Company (FMO) repayable after a tenor of three years maturing 30 June 2017 with an interest rate of six months' LIBOR + 3.5%.

xvi) The amount of ₦6,585,303,441 (USD 32,877,500) (31 December 2014: ₦6,116,060,000) represents an unsecured facility granted by European Investment (EIB) repayable after a tenor of eight years maturing 22 September 2022 with an interest rate of six months' LIBOR plus 4%.

xvii) The amount of ₦5,016,923,114 (USD 25,000,000) (31 December 2014: Nil) represents an unsecured facility granted by Standard Bank S.A repayable after a tenor of one year maturing 15 August 2016 with an interest rate of three months' LIBOR + 5.1% payable quarterly.

xviii) This represents an unsecured facility that has been repaid as at 31 December 2015: Nil (December 2014: ₦2,779,041,000 (USD 14,771,537)) granted by Mashreq Bank, New York repayable after a tenor of 178 days matured 16 March 2015 with an interest rate of six months' LIBOR + 2.75%.

xix) This represents an unsecured facility that has been repaid as at 31 December 2015: Nil (December 2014: ₦4,631,336,000 (USD 24,617,089)) granted by Mashreq Bank, New York repayable after a tenor of 179 days matured 17 March 2015 with an interest rate of six months' LIBOR + 2.75%.

xx) This represents an unsecured facility that has been repaid as at 31 December 2015: Nil (December 2014: ₦1,851,414,000 (USD 9,846,785)) granted by Mashreq Bank, New York repayable after a tenor of 179 days matured 26 March 2015 with an interest rate of six months' LIBOR + 2.75%.

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xxi) The amount of ₦1,284,166,852 (USD 6,353,472) (31 December 2014: Nil) represents an unsecured facility granted by Standard Bank, London repayable after a tenor of one year maturing 20 June 2016 with an interest rate of 2.6%.

xxii) The amount of ₦4,989,806,119 (USD 25,000,000) (31 December 2014: Nil) represents an unsecured facility granted by Citi Bank, repayable after a tenor of one year maturing 26 September 2016 with an interest rate of three months' LIBOR + 3.10% payable quarterly.

(xxiii) The amount of ₦14,947,402,152 (USD 75,000,000) (31 December 2014: Nil) represents a facility granted by OPIC, repayable after a tenor of four years maturing 15 August 2019 based on weekly certificate interest rate (CIR) payable quarterly.

xxiv) The amount of ₦15,424,233,304 (USD 77,000,000) (31 December 2014: Nil) represents a facility granted by Commerz Bank, repayable after a tenor of one year maturing 11 November 2016 with an interest rate of six months' LIBOR + 4.25%.

xxv) The amount of ₦1,833,302,000 (31 December 2014: ₦259,949,000) represents the outstanding balance of the unsecured facilities granted by Engr. Tajudeen Amoo at average nominal interest of 16.67% maturing in 2016.

xxvi) The amount of ₦268,980,000 (December 2014: ₦277,017,000) represents the outstanding balance of the unsecured facilities granted by Financial Derivatives Company Limited at average nominal interest of 16.67% maturing in 2016.

xvii) The amount of ₦8,236,220,000 (31 December 2014: ₦3,831,794,000) represents an unsecured facility granted by Credit Linked Investment Plan (CLIP), an investment plan managed by First City Asset Management Limited (FCAM), repayable after a tenor of one year maturing 2016 with an interest rate of 16.67%.

xxviii) This represents an unsecured facility that has been repaid as at 31 December 2015: Nil (December 2014: ₦81,036,000) granted by Supra Finance Limited at nominal interest of 15.56%.

xxix) This represents an unsecured facility that has been repaid as at 31 December 2015: Nil (December 2014: ₦103,207,000) granted by Udodong Grace at average nominal interest of 14.50%.

xxx) The amount of ₦29,000,000 (31 December 2014: Nil) represents an unsecured facility granted by Temitope Popoola, repayable after a tenor of one year maturing 26 August 2016 with an interest rate of 16.67%.

xxxi) The amount of ₦3,456,840,000 (31 December 2014: Nil) represents the outstanding balance of the unsecured facilities granted by Living Faith at average nominal interest of 15.67% maturing in 2016.

xxxii) This represents an unsecured facility that has been repaid as at 31 December 2015: Nil (31 December 2014: ₦708,358,000) granted by UBS AG, United Kingdom to FCMB Capital Markets Limited at an interest rate of 1.15% + LIBOR.

(b) The banking subsidiary has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year.

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(b) Movement in borrowings account during the year was as follows:				
Balance, beginning of the year	**99,540,346**	59,244,230	**-**	-
Additions during the year	**28,781,222**	45,066,628	**-**	-
Repayments during the year	**(14,742,847)**	(13,674,302)	**-**	-
Translation difference	**121,473**	8,903,790	**-**	-
	113,700,194	99,540,346	**-**	-

	GROUP		COMPANY	
36 On-Lending Facilities (see Note (a) Below)	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Bank of industry (BOI)	**21,452,038**	10,817,358	**-**	-
Commercial Agriculture Credit Scheme (CACS)	**10,529,310**	4,096,163	-	-
Micro, Small and Medium Enterprises Development Fund (MSMEDF)	**1,864,768**	-	**-**	-
	33,846,116	14,913,521	**-**	-
Current	**3,062,378**	-	**-**	-
Non-current	**30,783,738**	14,913,521	**-**	-
	33,846,116	14,913,521	**-**	-

(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% and 10%, for on-lending at a very low rate specified under the schemes. However, the banking subsidiary bears the credit risk for these facilities.

The on-lending 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.

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(b) Movement in on-lending facilities during the year was as follows:				
Balance, beginning of the year	**14,913,521**	-	**-**	-
Additions during the year	**19,969,442**	14,913,521	**-**	-
Repayments during the year	**(1,036,847)**	-	**-**	-
Balance, end of the year	**33,846,116**	14,913,521	**-**	-

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	GROUP		COMPANY	
37 Debt Securities Issued	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Debt securities at amortised cost:				
Bond issued (see Note (a) below)	**49,309,394**	26,174,186	**-**	-
	49,309,394	26,174,186	**-**	-
Current	**-**	174,186	**-**	-
Non-current	**49,309,394**	26,000,000	**-**	-
	49,309,394	26,174,186	**-**	-

(a) The amount of ₦49.31 billion (2014: ₦26.17 billion) represents the amortised cost of additional ₦23.19 billon and ₦26 billion, five-year 15% and seven-year 14.25% unsecured corporate bond issued at par in November 2015 and November 2014 respectively. The principal amount is repayable in November 2021 and November 2020 respectively, while the coupon is paid semi-annually. The amount represents the first and second tranches of a ₦100 billion debt issuance programme. The Group has not had any defaults of principal or interest or other breaches with respect to its debt securities during the year ended 31 December 2015 (2014: nil).

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(b) Movement in debt securities issued during the year was as follows:				
Balance, beginning of the year	**26,174,186**	-	**-**	-
Additions during the year	**23,135,208**	26,174,186	**-**	-
Repayments during the year	**-**	-	**-**	-
Balance, end of the year	**49,309,394**	26,174,186	**-**	-

38 Retirement Benefit Obligations

Defined contribution scheme

The Group and its employees make a joint contribution of 18% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. Prior to 1 July 2014, the Group and its employees contributed 7.5% each. However, effective 1 July 2014, the Group complied with the new Pension Reform Act 2014 and up-to-date payment of the new employer contribution of 10% and employees 8% have been remitted.

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Total contributions to the scheme for the year were as follows:				
Balance at start of year	**115,056**	124,674	**-**	-
Charged to profit or loss (see Note 14)	**683,196**	515,351	**8,640**	5,739
Employee contribution	**958,440**	527,951	**6,912**	4,591
Total amounts remitted	**(1,706,148)**	(1,052,920)	**(15,552)**	(10,330)
At end of year	**50,544**	115,056	**-**	-
Current	**50,544**	115,056	**-**	-
Non-current	**-**	-	**-**	-
	50,544	115,056	**-**	-

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39 Other Liabilities	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
(a) Other financial liabilities:				
Customers' deposit for letters of credit	**12,868,864**	6,662,093	**-**	-
Bank cheques/drafts	**3,464,642**	2,957,720	**-**	-
Proceeds from public offers	**73,268**	81,976	**-**	-
Accounts payable – negotiated letters of credit	**26,500,628**	54,830,354	**-**	-
Accounts payable – others	**42,113,943**	50,550,642	**104,304**	85,456
Accounts payable – unclaimed dividend (see Note (25g) above)	**255,039**	-	**255,039**	-
	85,276,384	115,082,785	**359,343**	85,456
(b) Other non-financial liabilities:				
Deferred income (see Note (d) below)	**147,354**	148,265	**-**	-
Accrued expenses	**1,372,513**	3,993,271	**216,377**	219,597
Provision (see Note (c) below)	**2,878,983**	1,839,159	**427,317**	373,375
	4,398,850	5,980,695	**643,694**	592,972
	89,675,234	121,063,480	**1,003,037**	678,428
Current	**85,203,116**	113,405,076	**1,003,037**	678,428
Non-current	**4,472,118**	7,658,404	**-**	-
	89,675,234	121,063,480	**1,003,037**	678,428

GROUP

	Claims ₦'000	Redundancy ₦'000	Staff Benefits ₦'000	Totals ₦'000
(c) Movement in provision – Group				
Balance as at start of year	**2,018,452**	**38,921**	**60,000**	**2,117,373**
Additional provisions made during the year	**766,485**	**4,212**	**97,841**	**868,538**
Provisions utilised during the year	**(45,815)**	**-**	**(61,113)**	**(106,928)**
Balance as at end of year	**2,739,122**	**43,133**	**96,728**	**2,878,983**

COMPANY

	Claims ₦'000	Redundancy ₦'000	Staff Benefits ₦'000	Totals ₦'000
(c) Movement in provision – Company				
Balance as at start of year	**274,454**	**38,921**	**60,000**	**373,375**
Additional provisions made during the year	**84,247**	**4,212**	**72,411**	**160,870**
Provisions utilised during the year	**(45,815)**	**-**	**(61,113)**	**(106,928)**
Balance as at end of year	**312,886**	**43,133**	**71,298**	**427,317**

Claims: The Group issued a warranty upon the disposal of a former subsidiary Fin Securities Limited (FinSec); and also have pending probable legal cases that may crystallise. The claims provision is reserved for these.

Redundancy: The Group carried out a restructuring exercise that resulted in the redundancy of some staff. The redundancy provision is expected to be utilised in 2016.

Staff Benefits: The Group makes provision for staff productivity and medical expenses.

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

40 Share Capital

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(a) Authorised				
30 billion ordinary shares of 50 kobo each (2014: 30 billion)	**15,000,000**	15,000,000	**15,000,000**	15,000,000
(b) Issued and fully paid				
19.8 billion ordinary shares of 50 kobo each (2014: 19.8 billion)	**9,901,355**	9,901,355	**9,901,355**	9,901,355

41 Share Premium, Retained Earnings and Other Reserves

	GROUP		COMPANY	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(a) There was no movement in the share premium during the current and prior year				
Share premium	**115,392,414**	115,392,414	**115,392,414**	115,392,414
(b) Other reserves comprises:				
Statutory reserve (see Note (d) below)	**6,014,583**	5,352,591	**-**	-
Translation reserve (see Note (j) below)	**1,576,155**	1,077,661	**-**	-
Available for sale reserve (see Note (f) below)	**1,389,402**	(327,972)	**-**	-
Regulatory risk reserve (see Note (g) below)	**10,935,941**	2,730,705	**-**	-
	19,916,081	8,832,985	**-**	-

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

(c) Share Premium:

This is the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.

(d) Statutory Reserve:

Nigerian banking regulations require the Banking subsidiary to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. However, the banking subsidiary transferred 15% of its profit after tax to statutory reserves as at year end (31 December 2014: 30%).

(e) 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 five 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.

(f) 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.

(g) Regulatory Risk Reserve:

The regulatory risk reserve warehouses the difference between the impairment of loans and advances under the Nigeria GAAP and CBN prudential guidelines and the loss incurred model used in calculating the impairment balance under IFRS.

(h) Retained Earnings:

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

(i) Revaluation Reserve:

The revaluation reserve shows the effects from the fair value measurement of equity instruments elected to be presented in other comprehensive income on initial recognition after deduction of deferred taxes. No gains or losses are recognised in the consolidated income statement.

(j) Foreign Currency Translation Reserve (FCTR):

Records exchange movements on the Group's net investment in foreign subsidiaries.

(k) 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 Contingencies, Claims and Litigation

(a) Legal Proceedings

The Group in its ordinary course of business is presently involved in 296 cases as a defendant (31 December 2014: 270) and 103 cases as a plaintiff (31 December 2014: 33). The total amount claimed in the 296 cases against the banking subsidiary is estimated at ₦99.13 billion (31 December 2014: ₦68.57 billion), while the total amount claimed in the 103 cases instituted by the banking subsidiary is ₦17.10 billion (31 December 2014: ₦36.28 billion). The Directors of the Group are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation that may be material to the financial statements.

(b) Contingent Liabilities and Commitments

In common with other banks, the Group conducts business involving acceptances and issuance of performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, guarantees and letters of credit.

(c) Nature of Instruments

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts. Other contingent liabilities include transaction-related customs and performances bonds and are, generally, short-term commitments to third parties that 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	
	2015 ₦'000	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
Performance bonds and guarantees	**82,687,009**	96,788,515	**-**	-
Clean line letters of credit	**58,344,519**	114,258,615	**-**	-
	141,031,528	211,047,130	**-**	-
Other commitments	**1,030,672**	879,313	**-**	-
	142,062,200	211,926,443	**-**	-
Current	**74,238,953**	163,532,186	**-**	-
Non-current	**67,823,247**	48,394,257	**-**	-
	142,062,200	211,926,443	**-**	-

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

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43 Group Subsidiaries and Related Party Transactions

(a) Parent and Ultimate Controlling Party

FCMB Group Plc is the ultimate parent company and its subsidiaries are as listed in note 43 (b) below.

(b) Subsidiaries

Transactions between FCMB Group Plc and its subsidiaries that are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 31 December 2015 are shown below.

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

(c) Significant Restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The carrying amounts of Group subsidiaries' assets and liabilities are ₦1,167.03 billion and ₦1,015.15 billion respectively (31 December 2014: ₦1,168.10 billion and ₦1,020.99 billion 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 31 December 2015 were as follows:

	FCMB Group Plc	FCMB Limited Group	FCMB CM Limited	CSL Stockbrokers Limited Group	CSL Trustees Limited	Total	Consolidation Journal Entries	Group
Results of operations								
Operating income	4,200,904	84,900,404	1,036,396	738,156	193,847	91,069,707	(1,373,108)	89,696,599
Operating expenses	(962,876)	(64,344,004)	(657,103)	(992,235)	(75,930)	(67,032,148)	53,107	(66,979,041)
Net impairment of financial assets	(689,742)	(14,102,062)	(169,575)	(72,080)	-	(15,033,459)	-	(15,033,459)
Share of post tax result of associate	-	-		-	-	-	84,565	84,565
Profit/(loss) before tax	2,548,286	6,454,338	209,718	(326,159)	117,917	9,004,100	(1,235,436)	7,768,664
Tax	(25,231)	(2,912,113)	(7,600)	(29,679)	(33,375)	(3,007,998)	-	(3,007,998)
Profit after tax	2,523,055	3,542,225	202,118	(355,838)	84,542	5,996,102	(1,235,436)	4,760,666
Other comprehensive income	-	2,328,244	-	(112,376)	-	2,215,868	-	2,215,868
Total comprehensive income for the year	2,523,055	5,870,469	202,118	(468,214)	84,542	8,211,970	(1,235,436)	6,976,534

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	FCMB Group Plc	FCMB Limited Group	FCMB CM Limited	CSL Stockbrokers Limited Group	CSL Trustees Limited	Total	Consolidation Journal Entries	Group
Financial position								
Assets								
Cash and cash equivalents	7,231,196	177,771,439	1,387,506	2,178,664	3,160,825	191,729,630	(10,807,932)	180,921,698
Restricted reserve deposits	-	125,552,318	-	-	-	125,552,318	-	125,552,318
Non-pledged trading assets	-	1,839,277	65	155,008	-	1,994,350	-	1,994,350
Derivative assets held for risk management	-	1,479,760	-	-	-	1,479,760	-	1,479,760
Loans and advances to customers	-	592,671,607	154,994	111,474	19,342	592,957,417	-	592,957,417
Assets pledged as collateral	-	51,777,589	-	-	-	51,777,589	-	51,777,589
Investment securities	2,013,621	124,464,886	-	8,104,452	727,188	135,310,147	-	135,310,147
Investment in subsidiaries	118,246,361	-	-	-	-	118,246,361	(118,246,361)	-
Investment in associates	418,577	-	-	-	-	418,577	313,387	731,964
Property and equipment	41,263	29,807,468	64,923	47,453	9,631	29,970,738	-	29,970,738
Intangible assets	1,845	8,608,845	-	46,384	-	8,657,074	311,465	8,968,539
Deferred tax assets	-	8,166,241	-	-	-	8,166,241	-	8,166,241
Other assets	1,425,398	28,004,875	113,671	572,391	33,587	30,149,922	(8,446,507)	21,703,415
	129,378,261	1,150,144,305	1,721,159	11,215,826	3,950,573	1,296,410,124	(136,875,948)	1,159,534,176

	FCMB Group Plc	FCMB Limited Group	FCMB CM Limited	CSL Stockbrokers Limited Group	CSL Trustees Limited	Total	Consolidation Journal Entries	Group
Financed by:								
Trading liabilities	-	-	-	-	-	-	-	-
Derivative liabilities held for risk management	-	1,317,271	-	-	-	1,317,271	-	1,317,271
Deposits from banks	-	5,461,038	-	-	-	5,461,038	-	5,461,038
Deposits from customers	-	711,024,639	-	-	-	711,024,639	(10,807,933)	700,216,706
Borrowings	-	113,700,194	-	-	-	113,700,194	-	113,700,194
On-lending facilities	-	33,846,116	-	-	-	33,846,116	-	33,846,116
Debt securities issued	-	49,309,394	-	-	-	49,309,394	-	49,309,394
Retirement benefit obligations	-	48,471	2,073	-	-	50,544	-	50,544
Current income tax liabilities	25,231	3,307,694	122,616	12,887	29,526	3,497,954	-	3,497,954
Deferred tax liabilities	-	26,874	5,033	34,986	1,545	68,438	-	68,438
Other liabilities	1,003,037	83,698,922	325,653	9,306,207	3,573,180	97,906,999	(8,231,765)	89,675,234
Share capital	9,901,355	2,000,000	500,000	943,577	50,000	13,394,932	(3,493,577)	9,901,355
Share premium	115,392,414	100,846,691	-	1,733,250	170,000	218,142,355	(102,749,941)	115,392,414
Retained earnings	3,056,224	13,411,730	765,784	(584,929)	126,322	16,775,131	406,306	17,181,437
Other reserves	-	32,145,271	-	(230,152)	-	31,915,119	(11,999,038)	19,916,081
	129,378,261	1,150,144,305	1,721,159	11,215,826	3,950,573	1,296,410,124	(136,875,948)	1,159,534,176
Acceptances and guarantees	-	142,062,200	-	-		142,062,200	-	142,062,200

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(ii) The condensed financial data of the consolidated entities as at 31 December 2014 were as follows:

	FCMB Group Plc	FCMB Limited Group	FCMB CM Limited	CSL Stockbrokers Limited Group	CSL Trustees Limited	Total	Consolidation Journal Entries	Group
Results of operations								
Operating income	6,672,890	96,078,751	1,912,270	1,501,074	103,718	106,268,703	(5,450,000)	100,818,703
Operating expenses	(1,222,012)	(63,076,446)	(847,407)	(1,108,644)	(49,534)	(66,304,043)	-	(66,304,043)
Net impairment of financial assets	-	(10,522,858)	(32,240)	(84,779)	-	(10,639,877)	-	(10,639,877)
Share of post-tax result of associate	-	-	-	-	-	-	68,110	68,110
Profit/(loss) before tax	5,450,877	22,479,447	1,032,623	307,651	54,184	29,324,783	(5,381,890)	23,942,893
Tax	(53,969)	(1,372,377)	(270,265)	(96,561)	(16,464)	(1,809,636)	-	(1,809,636)
Profit/(loss) after tax	**5,396,908**	**21,107,070**	**762,358**	**211,090**	**37,720**	**27,515,147**	**(5,381,890)**	**22,133,257**
Other comprehensive income	-	287,364	-	(43,925)	-	243,439	210,133	453,572
Total comprehensive income for the year	**5,396,908**	**21,394,434**	**762,358**	**167,165**	**37,720**	**27,758,586**	**(5,171,757)**	**22,586,829**

	FCMB Group Plc	FCMB Limited Group	FCMB CM Limited	CSL Stockbrokers Limited Group	CSL Trustees Limited	Total	Consolidation Journal Entries	Group
Financial position								
Assets								
Cash and cash equivalents	4,056,165	119,671,843	834,609	5,269,671	1,903,563	131,735,851	(5,442,042)	126,293,809
Restricted reserve deposits	-	146,105,573	-	-	-	146,105,573	-	146,105,573
Non-pledged trading assets	-	110,961	-	630,956	-	741,917	-	741,917
Derivative assets held for risk management	-	4,503,005	-	-	-	4,503,005	-	4,503,005
Loans and advances to customers	-	617,523,204	328,226	126,391	1,969	617,979,790	-	617,979,790
Assets pledged as collateral	-	53,812,420	-	-		53,812,420	-	53,812,420
Investment securities	2,828,220	134,037,631	2,570,436	8,840,415	10,128	148,286,830	-	148,286,830
Investment in subsidiaries	118,756,103	-	-	-	-	118,756,103	(118,756,103)	-
Investment in associates	418,577	-	-	-	-	418,577	228,822	647,399
Property and equipment	56,337	28,211,656	36,670	84,676	2,468	28,391,807	-	28,391,807
Intangible assets	2,808	7,271,616	-	72,678	-	7,347,102	1,001,208	8,348,310
Deferred tax assets	-	8,166,241	-	-	-	8,166,241	-	8,166,241
Other assets	5,452,080	26,597,683	139,733	1,225,552	14,314	33,429,363	(7,341,680)	26,087,683
	131,570,290	1,146,011,833	3,909,674	16,250,339	1,932,442	1,299,674,578	(130,309,794)	1,169,364,784

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	FCMB Group Plc	FCMB Limited Group	FCMB CM Limited	CSL Stockbrokers Limited Group	CSL Trustees Limited	Total	Consolidation Journal Entries	Group
Financed by:								
Derivative liabilities held for risk management	-	4,194,185	-	-	-	4,194,185	-	4,194,185
Deposits from banks	-	4,796,752	-	-	-	4,796,752	-	4,796,752
Deposits from customers	-	739,238,838	-	-	-	739,238,838	(5,442,042)	733,796,796
Borrowings	-	99,900,684	1,381,180	-	-	101,281,864	(1,741,518)	99,540,346
On-lending facilities	-	14,913,521	-	-	-	14,913,521	-	14,913,521
Debt securities issued	-	26,174,186	-	-	-	26,174,186	-	26,174,186
Retirement benefit obligations	-	111,829	3,227	-	-	115,056	-	115,056
Current income tax liabilities	114,246	3,785,638	368,291	80,344	15,026	4,363,544	-	4,363,544
Deferred tax liabilities	-	34,453	7,034	-	-	41,487	-	41,487
Other liabilities	678,428	109,008,523	1,086,261	14,054,796	1,835,634	126,663,642	(5,600,162)	121,063,480
Share capital	9,901,355	2,000,000	500,000	943,577	40,000	13,384,932	(3,483,577)	9,901,355
Share premium	115,392,414	100,846,691	-	1,733,250	-	217,972,355	(102,579,941)	115,392,414
Retained earnings	5,483,847	19,566,097	563,681	(556,225)	41,782	25,099,182	1,139,495	26,238,677
Other reserves	-	21,440,436	-	(5,402)	-	21,435,034	(12,602,049)	8,832,985
	131,570,290	1,146,011,833	3,909,674	16,250,340	1,932,442	1,299,674,578	(130,309,794)	1,169,364,784
Acceptances and guarantees	-	211,926,443	-	-	-	211,926,443	-	211,926,443

(e) Transactions with Key Management Personnel

	GROUP		COMPANY	
	31 December 2015 ₦'000	31 December 2014 ₦'000	**31 December 2015 ₦'000**	31 December 2014 ₦'000
Key management personnel compensation for the year comprised:				
Short-term employee benefits	**609,033**	525,036	**149,777**	140,354
Post-employment benefits	**11,436**	9,581	**4,222**	2,931
	620,469	534,617	**153,999**	143,285
Loans and advances				
At start of the year	**9,972,620**	11,562,679	**-**	-
Granted during the year	**410,354**	933,452	**-**	-
Repayment during the year	**(9,515,129)**	(2,523,511)	**-**	-
At end of the year	**867,845**	9,972,620	**-**	-
Interest earned	**629,879**	3,967,110		-

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers, and contributes to a post-employment defined contribution plan on their behalf. Loans to key management personnel include mortgage loans and other personal loans, which are given under terms that are no more favourable than those given to other staff. No impairment has been recognised in respect of loans granted to key management (2014: nil). Mortgage loans amounting to ₦528.92 million (2014: ₦612.15 million) are secured by the underlying assets. All personal loans are unsecured and interest rates charged on the related parties are at arm's length transaction.

The mortgage and secured loans granted are secured over property of the respective borrowers. Other balances are not secured and no guarantees have been obtained.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

Loans and advances outstanding:

Included in loans and advances is an amount of ₦2.03 billion (31 December 2014: ₦9.89 billion) representing credit facilities to companies in which certain Directors have interests. The balances as at 31 December 2015 and 31 December 2014 were as follows:

Name of company/ Individual	Relationship	Name of Directors related to the companies	Facility type	31 December 2015 ₦'000	31 December 2014 ₦'000	Status	Security status
Dynamic Industries Limited	Directors-shareholders	Alhaji Mustapha Damcida	Overdraft	**278,568**	270,963	Performing	Perfected
Dynamic Industries Limited	Directors-shareholders	Alhaji Mustapha Damcida	Term loan	**845,645**	741,810	Performing	Perfected
Primrose Properties Investment Ltd	Directors-shareholders	Otunba M O Balogun	Overdraft	**-**	20,684	Performing	Perfected
Primrose Properties Investment Ltd	Directors-shareholders	Otunba M O Balogun	Term loan	**126,053**	-	Performing	Perfected
Chellarams Plc	Directors-shareholders	Alhaji Mustapha Damcida	Overdraft	**66,870**	73,491	Performing	Perfected
Chellarams Plc	Directors-shareholders	Alhaji Mustapha Damcida	Term loan	**157,547**	232,171	Performing	Perfected
S & B City Printers Limited	Directors-shareholders	Babajide Balogun	Overdraft	**-**	38,441	Performing	Perfected
S & B City Printers Limited	Directors-shareholders	Babajide Balogun	Term loan	**10,000**	24,533	Performing	Perfected
Chapel Hill Advisory Partners	Directors-shareholders	Mobolaji Balogun	Term loan	**374,552**	574,552	Performing	Perfected
Credit Direct Limited	Subsidiary	-	Overdraft	**-**	7,830,487	Performing	Perfected
Credit Direct Limited	Subsidiary	-	Term loan	**17,025**	51,337	Performing	Perfected
Poly Products Nigeria Plc	Directors-shareholders	Olusegun Odubogun	Term loan	**11,000**	33,592	Performing	Perfected
Toyset Venture Limited	Directors-shareholders	Olusegun Odubogun	Term loan	**140,000**	-	Performing	Perfected
				2,027,260	9,892,061		

Other receivables:			
First City Asset Management Limited	Subsidiary	**7,376,891**	-
FCMB Capital Markets Limited	Subsidiary	**24,377**	-
Credit Direct Limited	Subsidiary	**2,630,318**	-
CSL Trustees Limited	Subsidiary	**2,858**	-
CSL Stockbrokers Limited	Subsidiary	**48,095**	-
		10,082,539	-

Deposits outstanding

Included in deposits is an amount of ₦5.53 billion (31 December 2014: ₦4.58 billion) representing deposits from companies in which certain Directors have interests. The balances as at 31 December 2015 and 31 December 2014 were as follows:

Current account	Relationship	Type of deposit	31 December 2015 ₦'000	31 December 2014 ₦'000
ATSC International Limited	Shareholder	Current account	**892**	2,240
Bluechip Holding Limited	Shareholder	Current account	**6,339**	1,245
Chapel Hill Advisory Partners	Shareholder	Current account	**14,442**	447
Chellarams Plc	Directors-shareholders	Term deposit	**-**	14,905
City Securities Limited	Directors-shareholders	Current account	**-**	27,091
Credit Direct Limited	Subsidiary	Current account	**738,918**	84,658
CSL Stockbrokers Limited	Subsidiary	Current account	**333,627**	195,487
CSL Stockbrokers Limited	Subsidiary	Term deposit	**720,902**	250,000
CSL Trustees Limited	Subsidiary	Current account	**143,974**	147,658
CSL Trustees Limited	Subsidiary	Term deposit	**68,699**	300,757
Dynamic Industries Limited	Directors-shareholders	Current account	**372,585**	499,456
FCMB Capital Markets Limited	Subsidiary	Current account	**664,721**	518,448
FCMB Capital Markets Limited	Subsidiary	Term deposit	**986,271**	200,000
FCMB UK Limited	Subsidiary	Current account	**441**	-
FDC Consulting Limited	Directors-shareholders	Current account	**2,667**	2,412
Financial Derivatives Company	Directors-shareholders	Current account	**5**	536,472
First City Asset Management Limited	Subsidiary	Current account	**80,440**	227,630
First City Asset Management Limited	Subsidiary	Term deposit	**454,024**	312,560
Gulvaris Capital Partners Limited	Directors-shareholders	Current account	**4,877**	4,564
Helios Investment Partners	Directors-shareholders	Current account	**-**	712
Helios Towers Nigeria Limited	Directors-shareholders	Current account	**-**	478,720
Heroes Furniture Limited	Directors-shareholders	Current account	**-**	609
Lafarge Cement Wapco Nig Plc	Directors-shareholders	Current account	**27,576**	2,846
Lana Securities Limited	Shareholder	Current account	**296**	295
Poly Products Nigeria Limited	Directors-shareholders	Current account	**18,286**	33,327
Primrose Development Company Limited	Shareholder	Current account	**4,045**	2,464
Primrose Development Company Limited	Shareholder	Term deposit	**-**	2,032
Primrose Investments Limited	Shareholder	Current account	**17,605**	317
Primrose Investments Limited	Shareholder	Term deposit	**819,278**	615,531
Primrose Nigeria Limited	Shareholder	Current account	**77**	21,965
Primrose Properties Investment Limited	Shareholder	Current account	**28,799**	90,225
S&B City Printers Limited	Directors-shareholders	Current account	**15,887**	1,345
Toyset Venture Limited	Directors-shareholders	Current account	**181**	-
			5,525,854	4,576,418

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

44 Employees and Directors

	GROUP		COMPANY	
	31 December 2015 Number	31 December 2014 Number	**31 December 2015 Number**	31 December 2014 Number
Employees				
(a) The average number of persons employed during the year by category:				
Executive Directors	**12**	14	**1**	1
Management	**719**	800	**9**	9
Non-management	**3,412**	3,616	**4**	4
	4,143	4,430	**14**	14

	GROUP		COMPANY	
(b) Compensation for the above persons (excluding executive directors):	**31 December 2015 ₦'000**	31 December 2014 ₦'000	**31 December 2015 ₦'000**	31 December 2014 ₦'000
Short-term employee benefits (see Note 14)	**22,346,869**	22,060,210	**204,023**	242,602
Contributions to defined contribution plans	**671,760**	505,770	**4,418**	2,808
Non-payroll staff cost	**2,744,275**	3,861,105	**25,697**	58,326
	25,762,904	25,476,245	**234,138**	303,736

	GROUP		COMPANY	
(c) The number of employees of the Group, including executive directors, who received emoluments in the following ranges were:	**31 December 2015 Number**	31 December 2014 Number	**31 December 2015 Number**	31 December 2014 Number
Less than ₦1,800,000	**849**	1,231	**-**	-
₦1,800,001–₦2,500,000	**315**	59	**-**	-
₦2,500,001–₦3,500,000	**1,428**	1,435	**-**	-
₦3,500,001–₦4,500,000	**18**	2	**-**	1
₦4,500,001–₦5,500,000	**454**	497	**2**	1
₦5,500,001 and above	**1,079**	1,206	**12**	12
	4,143	4,430	**14**	14

(d) Diversity in Employment

(i) A total of 1,598 women were in the employment of the Group during the financial year ended 31 December 2015 (2014: 1,678), which represents 39% of the total workforce (2014: 38%).

(ii) A total of 15 women were in the top management (AGM-GM) positions in the Group as at the year ended 31 December 2015 (2014: 18), which represents 25% of the total workforce in this position (2014: 26%). There was no woman on the Board of the Company.

(iii) The analysis by grade is as shown below:

GROUP

	31 December 2015			31 December 2014		
Grade level	**Male**	**Female**	**Total**	Male	Female	Total
Assistant General Manager (AGM)	**23**	**6**	**29**	23	7	30
Deputy General Manager (DGM)	**15**	**6**	**21**	19	8	27
General Manager (GM)	**7**	**3**	**10**	9	3	12
Total	**45**	**15**	**60**	51	18	69
Executive Directors (ED)	**4**	**1**	**5**	4	-	4
Deputy Managing Director (DMD)	**-**	**-**	**-**	1	-	1
Managing Director/Chief Executive Officer (MD/CEO)	**6**	**-**	**6**	5	-	5
Non-Executive Directors	**18**	**2**	**20**	20	3	23
Total	**28**	**3**	**31**	30	3	33

COMPANY

	31 December 2015			31 December 2014		
Grade level	**Male**	**Female**	**Total**	Male	Female	Total
Assistant General Manager (AGM)	**2**	**-**	**2**	1	-	1
Deputy General Manager (DGM)	**-**	**-**	**-**	-	-	-
General Manager (GM)	**1**	**-**	**1**	1	-	1
Total	**3**	**-**	**3**	2	-	2
Executive Directors (ED)	**-**	**-**	**-**	-	-	-
Deputy Managing Director (DMD)	**-**	**-**	**-**	-	-	-
Managing Director/Chief Executive Officer (MD/CEO)	**1**	**-**	**1**	1	-	1
Non-Executive Directors	**9**	**-**	**9**	9	-	9
Total	**10**	**-**	**10**	10	-	10

(iv) The Group is committed to maintain a positive work environment and to conduct business in a positive, professional manner and will ensure equal employment opportunity.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

(e) Directors

The remuneration paid to the directors of the Group (excluding pension and certain allowances) was:

	GROUP		COMPANY	
	31 December 2015 ₦'000	31 December 2014 ₦'000	**31 December 2015 ₦'000**	31 December 2014 ₦'000
Fees	**197,800**	169,225	**89,775**	72,725
Sitting allowances	**63,160**	85,700	**22,410**	20,650
Executive compensation	**533,766**	525,036	**74,510**	73,324
	794,726	779,961	**186,695**	166,699
Directors' other expenses	**91,594**	101,442	**9,649**	17,421
Directors' emoluments (see Note 16)	**886,320**	881,403	**196,344**	184,120
The Directors' remuneration shown above includes:				
The Chairman	**10,500**	10,500	**10,500**	10,500
Highest-paid director	**80,433**	95,043	**74,510**	73,324

The number of directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	GROUP		COMPANY	
	31 December 2015 ₦'000	31 December 2014 ₦'000	**31 December 2015 ₦'000**	31 December 2014 ₦'000
Below ₦1,000,000	**9**	11		-
₦1,000,001–₦5,000,000	**1**	1	**-**	-
₦5,000,001–₦10,000,000	**4**	6	**-**	2
₦10,000,001 and above	**17**	15	**10**	8
	31	33	**10**	10

Directors of the Company are not entitled to share options.

45 Compliance with Banking Regulations

During the year ended 31 December 2015, the banking subsidiary contravened the following sections of the provision of the Banks and Other Financial Institutions Act and relevant CBN circulars and was penalised as follows:

Section	Nature	Number of times	Penalties ₦'000
Report On Spot Check On Public Sector Deposits / CBN Circulars / BSD/DIR/GEN/LAB/06/034 Dated 25.07.2013 and BSD/DIR/GEN/LAB/06/039, Dated 05.09.2013	Misclassification of public sector deposits.	1	2,000
CBN infractions on foreign exchange sales to BDC transactions	FX sales infractions to BDC transactions.	2	25,000
Failure to submit regulatory returns in respect of FX forward transactions	The Bank failed to render returns.	1	2,000
Failure to file currency transaction report	The Bank failed to comply extant laws and regulations	2	10,000
Contravention of Section 7 of the MLPA 2011 (As Amended) and Regulation 29 of the CBN AML/CFT in Banks and Financial Institutions in Nigeria Regulations, 2013	Failure to make available selected customers' mandate files.	1	2,000
Contravention of Section 45 of CBN's AML/CFT Regulations, 2013	Failure to provide Know Your Customer (KYC) report of a customer.	1	2,000
CBN Circulars / BPS/DIR/GEN/CIR/01/015 directing all Deposit Money Banks (DMBs) to ensure all new loans must have the Bank Verification Number (BVN), as condition precedent to drawdown, with effect from 3 November 2014	Granting of new loans without the BVN.	1	2,047
Provisions of Regulation 107 (4) of the CBN AML/CFT Regulation 2013 directing that the consent of the Accountant General of the Federation prior to the opening of account for National Defence College (a Government Account)	Failure to obtain Accountant General (AG's) authorisation on National Defence College account.	1	2,000

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

Section	Nature	Number of times	Penalties ₦'000
CBN Circular FPR/DIR/GEN/ADM/01/010 directing that Suspicious Transaction Reports (STRs) And Currency Transaction Reports (CTRs) be rendered	Failure to carry out due diligence and non-rendition of suspicious transactions report (STR) in respect of customer.	1	126,000
CBN Circular BSD/DIR/GEN/LAB/07/011-The circular stipulates the timelines for the submission of daily, monthly, quarterly and semi-annual returns concurrently via the e-FASS and FinA Applications; daily returns are to be submitted on or before 10:00 a.m. of the following working day	Failure to render daily returns in a timely manner.	1	50
Government/CBN circular to remmit all Government funds to the Treasury Single Account	Unremitted TSA balances as at 14 october 2015.	1	4,000
Total			177,097

During the year, the stockbroking subsidiary (CSL Stockbrokers Limited) paid ₦2.96 million as penalty for late remittance of withholding tax.

The penalties, totalling ₦180.06 million, were paid during the year by the Group (2014: ₦6 million).

46 Events After the Reporting Period

There were no significant events after the balance sheet date that could have a material effect on the financial position of the Group as at 31 December 2015 and profit attributable to equity holders on that date that has not been adequately adjusted for or disclosed (2014: none).

47 Comparatives

Certain prior year balances have been reclassified in line with current year presentation format. The reclassifications did not impact the Group results for 2015. The nature and reason for the reclassifications are shown below:

	GROUP	COMPANY
	2014	2014
	₦'000	₦'000
(i) General and administrative expenses (see Note 16)		
Balance previously reported	23,966,276	387,930
Reclassified to other expenses (donation and sponsorship expenses) (see Note (ii) below)	(358,710)	-
Reclassified from general and administrative expenses (training expenses) (see Note (iii) below)	830	830
	23,608,396	388,760
Included in prior year other expenses was general and administrative expenses as shown above.		
(ii) Other expenses (see Note 17)		
Balance previously reported	10,942,272	506,362
Reclassified from general and administrative expenses (donation and sponsorship expenses) (see Note (i) above)	358,710	-
	11,300,982	506,362
Included in prior year other expenses was general and administrative expenses as shown above.		
(iii) Personnel expenses (see Note 15)		
Balance previously reported	27,804,733	307,497
Reclassified to general and administrative expenses (training expenses) (see Note (i) above)	(830)	(830)
	27,803,903	306,667

Included in prior year personnel expenses is general and administrative expenses as shown above.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

48 Reconciliation Notes to Consolidated and Separate Statement of Cash Flows

		GROUP		COMPANY	
	Note	**2015 ₦'000**	2014 ₦'000	**2015 ₦'000**	2014 ₦'000
(i) Fair value gain on financial assets held for trading					
Gross trading income before fair value adjustments		**943,428**	766,708	**-**	-
Fair value gain on financial assets adjustments		**(3,143)**	(889)	**-**	-
Net trading income (see Note 11)		**940,285**	765,819	**-**	-
(ii) Interest received					
Balance at end of the year (interest receivables, overdue interest and loan fees)		**19,595,344**	14,941,598	**-**	-
Accrued interest income during the year (see Note 7)		**123,583,565**	117,984,048	**536,426**	438,029
Non-cash related adjustments		**573,181**	4,716,306	**(52,112)**	(1,335)
Balance at start of the year (interest receivables, overdue interest and loan fees)		**(14,941,598)**	(12,917,235)	**-**	-
Interest received during the year		**128,810,492**	124,724,717	**484,314**	436,694
(iii) Interest paid					
Balance at end of the year (interest payables, interest prepaid and deferred FCY charges)		**4,387,304**	6,319,277	**-**	-
Accrued Interest expense during the year (see Note 8)		**59,646,733**	45,350,521	**-**	-
Non-cash related adjustments		**16,599,154**	4,576,942	**-**	-
Balance at start of the year (interest payables, interest prepaid and deferred FCY charges)		**(6,319,277)**	(6,099,635)	**-**	-
		74,313,914	50,147,105	**-**	-
(iv) VAT paid					
This relates to monthly remittances to the tax authorities with respect to VATable services		**770,249**	1,474,442	**-**	-
(v) Acquisition of investment securities and proceeds from sale and redemption of investment securities					
Balance at start of the year		**148,286,830**	163,638,236	**2,828,220**	2,828,220
Add: Acquisition of investment securities during the year		**85,257,087**	150,405,709	**440,698**	-
Less: Proceeds from sale and redemption of investment securities		**(106,775,458)**	(140,043,610)	**(3,434,934)**	-
Non-cash related adjustments		**8,541,688**	(25,713,505)	**2,179,637**	-
Balance at end of the year (see Note 25)		**135,310,147**	148,286,830	**2,013,621**	2,828,220

	Note	GROUP 2015 ₦'000	GROUP 2014 ₦'000	COMPANY 2015 ₦'000	COMPANY 2014 ₦'000
(vi) Effect of exchange rate fluctuations on cash and cash equivalents held					
Balance at end of the year on net translated foreign balances at closing exchange rates		**(68,424,778)**	(66,434,610)	**(13,331)**	(7,719)
Balance at start of the year on net translated foreign balances at opening exchange rates		**66,434,610**	57,730,027	**7,719**	-
		(1,990,168)	(8,704,583)	**(5,612)**	(7,719)
(vii) Net increase/(decrease) in other liabilities and others					
Movement in other liabilities		**(31,388,246)**	38,055,721	**324,609**	588,367
Movement in retirement benefit obligations		**(1,706,148)**	(1,017,037)	**(15,552)**	(10,330)
Movement in other long-term benefits		**-**	(3,203,189)	**-**	-
Non-cash related adjustments		**-**	2,952,291	**-**	-
		(33,094,394)	36,787,786	**309,057**	578,037
(viii) Proceeds from sale of property and equipment					
Gain/(Loss) on sale of property and equipment		**231,328**	332,350	**108**	165
Cost – disposal during the year		**2,120,374**	4,467,265	**4,661**	1,374
Accumulated depreciation and impairment losses – eliminated on disposal		**(2,262,698)**	(3,507,301)	**(4,661)**	(1,374)
		89,004	1,292,314	**108**	165
(ix) Net interest income					
Interest income (see Note 7)		**123,583,565**	117,984,048	**536,426**	438,029
Interest expense (see Note 8)		**(59,646,733)**	(45,350,521)	**-**	-
		63,936,832	72,633,527	**536,426**	438,029
(x) Net (increase)/decrease in restricted reserve deposits					
Opening balance for the year		**146,105,573**	73,473,096	**-**	-
Closing balance for the year (see Note 21)		**(125,552,318)**	(146,105,573)	**-**	-
		20,553,255	(72,632,477)	**-**	-
(xi) Net (increase)/decrease in derivative assets held					
Opening balance for the year		**4,503,005**	1,697,606	**-**	-
Non-cash related adjustments		**397,152**	-	**-**	-
Closing balance for the year (see Note 23)		**(1,479,760)**	(4,503,005)	**-**	-
		3,420,397	(2,805,399)	**-**	-

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2015 continued

		GROUP		COMPANY	
	Note	2015 ₦'000	2014 ₦'000	2015 ₦'000	2014 ₦'000
(xii) Net (increase)/decrease in non-pledged trading assets					
Opening balance for the year		**741,917**	2,921,358	**-**	-
Non-cash related adjustments		**14,740**	-	**-**	-
Closing balance for the year (see Note 22)		**(1,994,350)**	(741,917)	**-**	-
		(1,237,693)	2,179,441	**-**	-
(xiii) Net (increase)/decrease in loans and advances to customers					
Opening balance for the year		**617,979,790**	450,532,965	**-**	-
Closing balance for the year (see Note 24)		**(592,957,417)**	(617,979,790)	**-**	-
		25,022,373	(167,446,825)	**-**	-
(xiv) Net (increase)/decrease in other assets					
Opening balance for the year		**26,087,683**	24,492,358	**5,452,080**	7,679,886
Closing balance for the year (see Note 32)		**(21,703,415)**	(26,087,683)	**(1,425,398)**	(5,452,080)
		4,384,268	(1,595,325)	**4,026,682**	2,227,806
(xv) Net increase/(decrease) in deposits from banks					
Closing balance for the year (see Note 33)		**5,461,038**	4,796,752	**-**	-
Opening balance for the year		**(4,796,752)**	-	**-**	-
		664,286	4,796,752	**-**	-
(xvi) Net increase/(decrease) in deposits from customers					
Closing balance for the year (see Note 34)		**700,216,706**	733,796,796	**-**	-
Opening balance for the year		**(733,796,796)**	(715,214,192)	**-**	-
		(33,580,090)	18,582,604	**-**	-
(xvii) Net increase/(decrease) in on-lending facilities					
Closing balance for the year (see Note 36)		**33,846,116**	14,913,521	**-**	-
Non-cash related adjustments		**(573,181)**	-	**-**	-
Opening balance for the year		**(14,913,521)**	-	**-**	-
		18,359,414	14,913,521	**-**	-
(xviii) Net increase/(decrease) in derivative liabilities held					
Closing balance for the year (see Note 23)		**1,317,271**	4,194,185	**-**	-
Non-cash related adjustments		**(401,541)**	-	**-**	-
Opening balance for the year		**(4,194,185)**	(1,355,634)	**-**	-
		(3,278,455)	2,838,551	**-**	-

OTHER NATIONAL DISCLOSURES

Value Added Statement

for the year ended 31 December 2015

	GROUP				COMPANY			
	2015 ₦'000	**%**	2014 ₦'000	%	**2015 ₦'000**	**%**	2014 ₦'000	%
Gross income	**152,507,947**		148,637,409		**4,200,904**		6,672,890	
Group's share of associate's profit	**84,565**		68,110					
Interest expense and charges	**(62,811,348)**		(47,818,706)		**-**		-	
	89,781,164		100,886,813		**4,200,904**		6,672,890	
Impairment losses	**(15,033,459)**		(10,639,877)		**(689,742)**		-	
Administrative overhead	**(37,128,344)**		(34,909,378)		**(701,256)**		(895,121)	
Value added	**37,619,361**	*100*	55,337,558	*100*	**2,809,906**	*100*	5,777,769	*100*
Distribution								
Employees								
Wages, salaries, pensions, gratuity and other employee benefits	**25,487,681**	*68*	27,803,903	*50*	**238,360**	*8*	306,667	*5*
Government								
Taxation	**3,007,998**	*8*	1,809,636	*3*	**25,231**	*1*	53,969	*1*
The future								
Replacement of property and equipment/intangible assets	**4,363,016**	*11*	3,590,762	*7*	**23,260**	*1*	20,224	-
Profit for the year (including statutory and regulatory risk reserves)	**4,760,666**	*13*	22,133,257	*40*	**2,523,055**	*90*	5,396,909	*94*
Value added	**37,619,361**	*100*	55,337,558	*100*	**2,809,906**	*100*	5,777,769	*100*

This statement represents the distribution of the wealth created through the use of the Group's assets through its own and its employees' efforts.

Five-Year Financial Summary – Group

	GROUP				
	31 December 2015 ₦'000	31 December 2014 ₦'000	31 December 2013 ₦'000	31 December 2012 ₦'000	31 December 2011 ₦'000
ASSETS EMPLOYED					
Cash and cash equivalents	**180,921,698**	126,293,809	199,700,305	123,451,740	48,416,681
Restricted reserve deposits	**125,552,318**	146,105,573	73,473,096	57,891,360	21,963,780
Non-pledged trading assets	**1,994,350**	741,917	2,921,358	1,169,708	3,119,799
Derivative assets held for risk management	**1,479,760**	4,503,005	1,697,606	1,980,135	-
Loans and advances to customers	**592,957,417**	617,979,790	450,532,965	357,798,798	323,353,706
Assets pledged as collateral	**51,777,589**	53,812,420	50,516,904	40,793,601	27,253,832
Investment securities	**135,310,147**	148,286,830	163,638,236	244,525,619	137,333,793
Assets classified as held for sale	**-**	-	-	13,547,417	-
Investment in associates	**731,964**	647,399	568,512	467,456	230,656
Investment property	**-**	-	-	-	131,778
Property and equipment	**29,970,738**	28,391,807	26,812,277	26,331,166	18,785,380
Intangible assets	**8,968,539**	8,348,310	7,580,528	11,894,789	6,601,963
Deferred tax assets	**8,166,241**	8,166,241	6,346,025	4,937,656	3,578,836
Other assets	**21,703,415**	26,087,683	24,492,358	23,756,311	10,846,290
	1,159,534,176	1,169,364,784	1,008,280,170	908,545,756	601,616,494
FINANCED BY					
Share capital	**9,901,355**	9,901,355	9,901,355	9,520,534	8,135,596
Share premium	**115,392,414**	115,392,414	115,392,414	108,747,612	108,369,199
Treasury shares	**-**	-	(8,625)	(775,381)	(851,234)
Retained earnings/ (accumulated loss)	**17,181,437**	26,238,677	13,109,779	765,475	(16,779,856)
Other reserves	**19,916,081**	8,832,985	5,311,806	13,757,163	18,519,823
Derivative liabilities held for risk management	**1,317,271**	4,194,185	1,355,634	1,980,135	-
Deposits from banks	**5,461,038**	4,796,752	-	52,000	-
Deposits from customers	**700,216,706**	733,796,796	715,214,192	646,216,767	410,683,355
Liabilities classified as held for sale	**-**	-	-	9,038,589	-
Borrowings	**113,700,194**	99,540,346	59,244,230	26,933,018	19,264,434
On-lending facilities	**33,846,116**	14,913,521	-	-	-
Debt securities issued	**49,309,394**	26,174,186	-	-	-
Retirement benefit obligations	**50,544**	115,056	124,674	109,008	12,971
Other long-term benefits	**-**	-	1,258,317	335,397	1,668,104
Current income tax liabilities	**3,497,954**	4,363,544	4,333,353	2,850,275	1,783,422
Deferred tax liabilities	**68,438**	41,487	35,282	22,067	26,388
Other liabilities	**89,675,234**	121,063,480	83,007,759	88,993,097	50,784,292
	1,159,534,176	1,169,364,784	1,008,280,170	908,545,756	601,616,494
Acceptances and guarantees	**142,062,200**	211,926,443	105,730,673	121,081,334	97,260,519

Five-Year Financial Summary – Group

continued

	GROUP				
	12 months December 2015 ₦'000	12 months December 2014 ₦'000	12 months December 2013 ₦'000	12 months December 2012 ₦'000	12 months December 2011 ₦'000
PROFIT AND LOSS ACCOUNT					
Gross earnings	**152,507,947**	148,637,409	130,995,439	116,832,323	74,761,462
Profit/(loss) before tax	**7,684,099**	23,874,783	18,116,143	16,248,019	(10,682,803)
Tax	**(3,007,998)**	(1,809,636)	(2,183,244)	(1,126,315)	3,000,587
Profit/(loss) after tax	**4,676,101**	22,065,147	15,932,899	15,121,704	(7,682,216)
Transfer to reserves	**4,760,666**	22,133,257	16,001,155	15,292,372	(9,243,550)
Earnings per share – basic and diluted (naira)	**0.24**	1.12	0.81	0.77	(0.57)

NB: FCMB Group Plc was incorporated in Nigeria as a financial holding company on 20 November 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). Following the Group restructuring, FCMB Group Plc emerged as a holding company, with First City Monument Bank Plc ('the bank') as subsidiary.

First City Monument Bank Plc was delisted from the Nigerian Stock Exchange on 21 June 2013, and the shares of FCMB Group Plc listed on the same day. The bank was re-registered as a Private Limited Liability company in September 2013, and is now known as First City Monument Bank Limited. The financials stated above from year 2011 to 2012 were that of First City Monument Bank Plc and the subsidiaries, while year 2013 to 2015 relates to FCMB Group Plc.

Five-Year Financial Summary – Company

	COMPANY				
	31 December 2015 ₦'000	31 December 2014 ₦'000	31 December 2013 ₦'000	31 December 2012 ₦'000	31 December 2011 ₦'000
ASSETS EMPLOYED					
Cash and cash equivalents	**7,231,196**	4,056,165	2,150,389	-	-
Restricted reserve deposits	**-**	-	-	-	-
Non-pledged trading assets	**-**	-	-	-	-
Derivative assets held for risk management	**-**	-	-	-	-
Loans and advances to customers	**-**	-	-	-	-
Assets pledged as collateral	**-**	-	-	-	-
Investment securities	**2,013,621**	2,828,220	2,514,439	-	-
Assets classified as held for sale	**-**	-	-	-	-
Investment in subsidiaries	**118,246,361**	118,756,103	118,716,103	-	-
Investment in associates	**418,577**	418,577	407,800	-	-
Property and equipment	**41,263**	56,337	9,801	-	-
Intangible assets	**1,845**	2,808	3,771	-	-
Deferred tax assets	**-**	-	-	-	-
Other assets	**1,425,398**	5,452,080	7,679,886	-	-
	129,378,261	131,570,290	131,482,189	-	-
FINANCED BY					
Share capital	**9,901,355**	9,901,355	9,901,355	-	-
Share premium	**115,392,414**	115,392,414	115,392,414	-	-
Treasury shares	**-**	-	-	-	-
Retained earnings	**3,056,224**	5,483,847	6,027,752	-	-
Other reserves	**-**	-	-	-	-
Derivative liabilities held for risk management	**-**	-	-	-	-
Deposits from banks	**-**	-	-	-	-
Deposits from customers	**-**	-	-	-	-
Borrowings	**-**	-	-	-	-
On-lending facilities	**-**	-	-	-	-
Debt securities issued	**-**	-	-	-	-
Retirement benefit obligations	**-**	-	-	-	-
Other long term benefits	**-**	-	-	-	-
Current income tax liabilities	**25,231**	114,246	60,277	-	-
Other liabilities	**1,003,037**	678,428	100,391	-	-
	129,378,261	131,570,290	131,482,189	-	-
Acceptances and guarantees	**-**	–	–	–	–

Five-Year Financial Summary – Company

continued

	COMPANY				
	12 months December 2015 ₦'000	12 months December 2014 ₦'000	12 months December 2013 ₦'000	12 months December 2012 ₦'000	12 months December 2011 ₦'000
PROFIT AND LOSS ACCOUNT					
Gross earnings	**4,200,904**	6,672,890	6,370,000	-	-
Profit before tax	**2,548,286**	5,450,877	6,088,029	-	-
Tax	**(25,231)**	(53,969)	(60,277)	-	-
Profit after tax	**2,523,055**	5,396,908	6,027,752	-	-
Transfer to reserves	**2,523,055**	5,396,908	6,027,752	-	-
Earnings per share – basic and diluted (Naira)	**0.13**	0.27	0.30	-	-

SHAREHOLDER INFORMATION

Notice of Annual General Meeting

Notice is hereby given that the 3rd Annual General Meeting of **FCMB Group Plc (FCMB)** will be held at the Shell Hall, MUSON Centre, Onikan, Lagos on **Friday 29 April 2016** at 11.00 am to transact the following:

Ordinary Business

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31 December 2015, the Auditor's Report thereon and the Audit Committee Report.
2. To declare a dividend.
3. To re-elect Directors that are retiring.
4. To approve the remuneration of Directors.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To elect members of the Audit Committee.

Dated this 4th day of April 2016

By Order of the Board

Mrs Funmi Adedibu
Company Secretary
FRC/2014/NBA/00000005887

NOTES:

Proxies

Only a member (shareholder) of the Company entitled to attend and vote at the Annual General Meeting is allowed to appoint a proxy in his/her stead. All valid instruments of proxy should be completed, stamped and deposited at the office of the Company's Registrars: CardinalStone Registrars Limited, 358 Herbert Macaulay Way, Yaba, Lagos, not later than 48 hours before the time fixed for the Meeting.

Closure of Register

The Register of Members will be closed from 13 April 2016 to 19 April 2016 (both days inclusive).

Dividend

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend warrants will be posted on 2 May 2016 to members so entitled, whose names appear in the register of members at the close of business on 12 April 2016.

Audit Committee

In accordance with Section 359 (5) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and reach the Company Secretary not less than 21 days before the Annual General Meeting.

Rights of Securities Holders to Ask Questions

Securities holders have a right to ask questions not only at the meeting, but also in writing prior to the meeting, and such questions must be submitted to the Company on or before 22 April 2016.

Proxy Form and Resolutions

FCMB GROUP PLC (RC 1079631)

3RD ANNUAL GENERAL MEETING to be held at the Shell Hall, MUSON Centre, Onikan, Lagos on **Friday 29 April 2016** at 11.00 am

I/We ....

being a member/members of FCMB Group Plc hereby appoint

* ....

....

(PLEASE USE BLOCK CAPITALS)

or failing him, the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of FCMB Group Plc which will be held at Shell Hall, MUSON Centre, Onikan, Lagos on Friday 29 April 2016 at 11.00 am or at any adjournment thereof.

Dated this ....

day of .... 2016.

Shareholder's signature

....

NOTES:

1. A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy and the above proxy form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.
2. Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy but, if you wish, you may insert in the blank space (marked*) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf.
3. Please sign and post the proxy form so as to reach The Registrar, CardinalStone Registrars Limited, 358 Herbert Macaulay Way, Yaba, Lagos, not later than 48 hours before the time appointed for the meeting and ensure that the proxy form is dated, signed and stamped by the Commissioner for Stamp Duties.
4. If executed by a corporate body, the proxy form should be sealed with the Common Seal or under the hand of an officer or attorney duly authorised in that behalf.

	RESOLUTIONS	For	Against	Abstain
1	To receive and consider the Report of the Directors and the Financial Statements for the year ended 31 December 2015, the Auditor's Report thereon and the Audit Committee Report.			
2	To declare a dividend			
3	To re-elect Directors that are retiring: i. Mr Olutola O Mobolurin; ii. Prof Oluwatoyin Ashiru; and iii. Dr (Engr) Gregory O Ero.			
4	To approve the remuneration of Directors.			
5	To authorise the Directors to fix the remuneration of the Auditors.			
6	To elect members of the Audit Committee.			

Before posting this form, tear off this part and retain it.

ADMISSION CARD

FCMB GROUP PLC
3rd Annual General Meeting

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE 3RD ANNUAL GENERAL MEETING BEING HELD AT THE SHELL HALL, MUSON CENTRE, ONIKAN, LAGOS ON FRIDAY 29 APRIL 2016 AT 11.00 AM

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRARS.

NAME OF SHAREHOLDER/PROXY

....

SIGNATURE ....

ADDRESS ....

....

....

....

....

Mandate for E-Dividend Payment

PLEASE RETURN TO: CardinalStone Registrars, 358 Herbert Macaulay Way, Yaba, Lagos, Nigeria P.O. Box 9117, Marina, Lagos, Nigeria

It is our pleasure to inform you that you can henceforth have your dividend paid by DIRECT CREDIT into your bank account. Consequently, we hereby request you provide the following information to enable us to process the direct payment of your dividend (when declared) into your bank account.

(PLEASE COMPLETE ALL SECTIONS IN CAPITAL LETTERS)

Shareholder's Account Number Date of Birth (DD/MM/YYYY) / /

Surname/Company's Name

Other Names (for Individual Shareholders)

Postal Address

City/Town State

Email Address

Mobile (GSM) Phone

Bank Name

Account Name

Branch Address

Bank Account Number

Bank Sort Code

I/We hereby request that all dividend warrant(s) due to me/our holding(s) in FCMB be paid by direct credit to my/our bank account given above.

Shareholder's Signature or Thumbprint

Company Seal/Incorporation Number
(for Corporate Shareholders)

Shareholder's Signature or Thumbprint

Authorised Signature & Stamp of Bankers

Electronic Delivery Mandate Form

Dear Sir/Madam,

To enable you to receive your shareholder communications promptly, FCMB has introduced the electronic delivery of its Annual Report and Accounts, proxy forms and other statutory documents to shareholders.

With this service, instead of receiving a hard copy of our annual reports and other corporate documents, you can elect to receive a soft copy of the Annual Report, Proxy Form, etc, either as a link to a downloadable version of the report that will be sent to your email address or on a compact disc (CD), which will be posted to you.

Please complete this form to register your preference and return the completed form to:

The Registrar,
CardinalStone Registrars Limited,
358 Herbert Macaulay Way,
Yaba, Lagos

or any of the Registrar's offices nationwide.

Mrs Funmi Adedibu
Company Secretary

I ______________________________

of ______________________________

____

HEREBY AGREE TO THE ELECTRONIC DELIVERY OF FCMB GROUP PLC'S ANNUAL REPORTS, PROXY FORMS, PROSPECTUSES, NEWSLETTERS AND STATUTORY DOCUMENTS TO ME THROUGH:

Please tick only one option

- [ ] An electronic copy via compact disc (CD) sent to my postal address, or
- [ ] I will download from the web address forwarded to my email address stated below
- [ ] Continue receiving the report in hard copy to my postal address

My email address:

____

How often would you like to receive them:
- [ ] Annually
- [ ] Semi-annually

Description of Service

By enrolling in the electronic delivery service, you have agreed to receive all future announcements/ shareholder communications, as stated below, by email. These communications can be made available to you either semi-annually or annually.

Annual reports, proxy forms, prospectuses and newsletters are examples of the shareholder communications that can be made available to you electronically. Enrolment to our electronic delivery service will be effective for all your holdings in FCMB Group Plc on an ongoing basis, unless you change or cancel your enrolment.

This initiative is in line with our determination to help protect and sustain our planet's environment and the consolidated SEC Rule 128 (6) of September 2011 which states that "A Registrar of a public company may dispatch Annual Reports and Notices of Meetings to shareholders by electronic means".

Name (surname first)

....

....

Signature

....

Date ....

+234(0) 1 279 8800/(0) 700 326 269 2265

www.fcmbgroupplc.com

BRANCHES AND ACCOUNT OPENING

List of Branches

	Branch	Branch Address
Abia		
1	Asa Road 1, Aba	90 Asa Road, Aba, Abia
2	Faulks Road, Aba	161 Faulks Road, Aba, Abia
3	Umuahia 1	5 Library Avenue, Umuahia, Abia
4	Umuahia 2	10 Akanu Ibiam Road, Umuahia, Abia
5	Brass Road, Aba	10 Brass Road Branch, Aba, Abia
6	Ogborhill, Aba	113 Ikot Ekpene Road, Ogbor Hill, Aba, Abia
Abuja (FCT)		
7	Abuja Nass 1	White House Basement, National Assembly Complex, Three Arms Zone, Abuja
8	Abuja Wuse 2	Plot 108, Adetokunbo Ademola Cadastral Zone A08, Wuse 2 District, Abuja
9	Abuja Garki 2	Plot 1,640, Ladoke Akintola Boulevard, Garki II, Abuja
10	Abuja Fed Sec Phase 1	Federal Secretariat, Phase 1, Ground Floor, Annex II, Abuja
11	Abuja Fed Sec Phase 3	Federal Secretariat Complex Phase 3, Abuja
12	Abuja Zone 4	Plot 532, IBB Way Zone 4, Wuse, Abuja
13	Abuja Area 7	1 Yola Street, Area 7, Garki, Abuja
14	Abuja Area 8	6 Ogbomosho Street, Area 8, Garki, Abuja
15	Abuja Port Harcourt Crescent	14 Port Harcourt Crescent, Off Gimbiya Street, Area 11, Garki, Abuja
16	Abuja Bwari	1 Council Secretariat Avenue, Bwari, Abuja
17	Abuja Crest Plaza	1st Avenue, Crest Plaza, Gwarimpa, Abuja
18	Abuja Kubwa	Plot 136B, Gado Nasko Road, Kubwa, Abuja
19	Abuja First City Plaza	Plot 252, Herbert Macauly Way, Central Business District, Abuja
20	Maitama Mediterranean	4 Mediterranean Street, Imani Estate, Maitama, Abuja
21	Abuja Airport	Domestic Wing, Nnamdi Azikiwe Int'l Airport, Abuja

	Branch	Branch Address
22	Abuja Izon Wari	1,038 Shehu Shagari Way, Bayelsa State Guest House, Maitama, Abuja
23	Gwagwalada	203A Phase One Specialist Hospital Road, Gwagwalada, Abuja
24	Abuja Kuje	Plot 33A, Sauka extension, Kuje Town Centre, Abuja
25	Abuja Banex Plaza	Plot 750, Aminu Kano Way, Wuse, Abuja
26	Abuja Ap Plaza	212F Adetokunbo Ademola Crescent, Wuse 2, Abuja
27	Abuja Aminu Kano Crescent	Plot 112, Aminu Kano Crescent, Opposite Shaif Plaza, Wuse 2, Abuja
28	Abuja Gana Street	30 Gana Street, Maitama, Abuja
Adamawa		
29	Yola	22 Atiku Abubakar Way, Jimeta, Yola, Adamawa
Akwa Ibom		
30	Uyo Abak Road	143 Abak Road, Uyo, Akwa Ibom
31	Eket Branch	Grace Bill, Marina Junction, Eket, Akwa Ibom
32	Uyo, Oron	105 Oron Road, Uyo, Akwa Ibom
33	Ikot Ekpene 1	5 Harley Drive, Ikot Ekpene, Akwa Ibom
34	Uyo Aka Road	23 Aka Road, Uyo, Akwa Ibom
35	Ikot-Abasi Alscon Plant	Alscon Plant Complex, Ikot Abasi, Akwa Ibom
Anambra		
36	Awka 1	84 Nnamdi Azikiwe Avenue, Awka, Anambra
37	Awka 2	38 Zik Avenue, Awka, Anambra State
38	Nnewi 1	15 Oraifite Road, Nnewi, Anambra
39	Nnewi 2	Zone 19, New Machine Parts Market, Nnewi, Anambra
40	Onitsha Bridgehead	40 Ugah Street, Bridgehead, Onitsha, Anambra
41	Onitsha New Market Road 1	9A New Market Road, Onitsha, Anambra
42	Onitsha New Market Road 2 (Banex Plaza)	Banex Plaza, 36 New Market Road, Onitsha, Anambra

	Branch	Branch Address
43	Onitsha New Market Road 3	53 New Market Road, Onitsha, Anambra
44	Fegge, Onitsha	12 Port Harcourt Road, Fegge, Onitsha, Anambra
45	Obosi	Electrical Market, Obosi, Onitsha, Anambra
46	Oko	4 Hospital Road, Along Ekwulobia-Oko Road, Ekwulobia, Anambra
47	Ekwulobia	10 Awka Road, Ekwulobia, Anambra
Bauchi		
48	Commercial Rd, Bauchi	Former Women Development Center, G.R.A., Bauchi, Bauchi
49	Azare	4 Jamaare Road, Azare, Bauchi
50	Atbu	Isa Yuguda House, 19/23 Jos Road, Bauchi
Bayelsa		
51	Yenagoa 1	181 Mbiama Road, Yenagoa, Bayelsa
52	Yenagoa 2	76 Mbiama/Yenagoa Road, by Chief Obele Street Junction, Ovom-Yenagoa, Bayelsa
Benue		
53	Makurdi	20B New Bridge Road, Makurdi, Benue
Borno		
54	Maiduguri 1	Baga Road, Maiduguri, Borno
Cross River		
55	Calabar	14 Calabar Road, Calabar, Cross River
56	Ikom	7 Calabar Road, Ikom, Cross River
57	New Secretariat, Calabar	New Secretariat Complex, Murtala Mohammed Highway, Calabar, Cross River
Delta		
58	Warri 1	37 Okumagba Avenue, By Okere Roundabout, Warri, Delta
59	Asaba 1	370 Nnebisi Road, Asaba, Delta
60	Effurun	68 Effurun/Sapele Road, Warri, Delta
61	Warri (Airport Rd)	52 Airport Road, Warri, Delta
62	Asaba Nnebisi Road	461 Nnebisi Road, Asaba, Delta

	Branch	Branch Address
63	Ughelli	30 Ughelli/Warri road, Ughelli, Delta
Ebonyi		
64	Abakaliki	36B Sam Egwu Way, Abakaliki, Ebonyi
65	Afikpo	10 Mgbom Unwana Road, Amuro, Afikpo, Ebonyi
Edo		
66	Mission Road	112 Mission Road, Benin City, Edo
67	Ugbowo	183 Uselu-Ugbowo Road, Benin City, Edo
68	Sakponba	72 Sakponba Rd, Benin City, Edo
Ekiti		
69	Ado-Ekiti	New Secretariat Road, Ado Ekiti, Ekiti
Enugu		
70	Enugu Market Road	12A Market Road, Enugu, Enugu
71	Garden Avenue Enugu	41 Garden Avenue, Enugu, Enugu
72	Agbani Road Branch	117 Agbani Road, Enugu, Enugu
73	Nsukka	7B University Road, Nsukka, Enugu
74	Agbani Town	71 Enugu Road, Agbani Town, Enugu
75	Presidential Road	4 Presidential Avenue, Nkpokiti Junction, Enugu, Enugu
Gombe		
76	Gombe 1	11 Biu Link Road, Opposite Central Market, Gombe
77	Ashaka	Ashaka Cement Factory Complex, Ashaka, Gombe
78	Bajoga	Gombe/Potiskum Road, Bajoga, Gombe
Imo		
79	Wetheral Road 1	81 Wetheral Road, Owerri, Imo
80	Wetheral Road 2	40 Wetheral Road, Owerri, Imo
81	Orlu	5 L.N. Obioha Road, Orlu, Imo
82	Mbaise Road, Owerri	5B Mbaise Road, Owerri, Imo

List of Branches

Continued

	Branch	Branch Address
Jigawa		
83	Dutse 1	12A–13A Kiyawa Road, Dutse, Jigawa
Kaduna		
84	Ahmadu Bello Way Kaduna	1A Ahmadu Bello Way, Kaduna
85	Kachia Road Kaduna	1/2A Kachia Road, Kaduna
86	Zaria 1	Block F3, Kaduna-Gusau Road, Zaria, Kaduna
87	Zaria 2	4B Main Street, Sabon-Gari, Zaria, Kaduna
88	Kano Road Kaduna	26/27 Constitution Road, Kaduna
89	Sabon Tasha, Kaduna	26 Kachia Road, Sabon Tasha, Kaduna
90	Ali Akilu Road Kaduna	40 Ali Akilu Road, Kaduna
91	Kachia Police	Beside Kachia Police Station, Kachia, Kaduna
92	Yakubu Gowon Way Kaduna	6 Yakubu Gowon Way, Kaduna
93	Sheik Abubakar Gumi Market	3 Broadcasting Road, Sheik Abubakar Gumi Main Market, Kaduna
94	Krpc Kaduna	KM 16 Kachia Road, Kaduna Refining and Petro-Chemical complex, Kaduna South, Kaduna
Kano		
95	Kano Main	145 Murtala Mohammed Way, Kano
96	Kano Bello Road	17/18 Bello Road, Kano
97	Kano Ibrahim Taiwo	58E Ibrahim Taiwo Road, Fegge, Kano
98	Kano Murtala Mohammed Way 1	9c Murtala Mohammed Road, Kano
99	Kano Murtala Mohammed Way 2	40 Murtala Mohammed Way, Kano
100	Kano Bompai Road	7 Bompai Road, Kano

	Branch	Branch Address
Katsina		
101	Katsina	132 IBB Way, Kano/Katsina Road, By Yantomaki Road, Katsina
Kebbi		
102	Kebbi	Plot 20, Emir Haruna Road, Birnin Kebbi, Kebbi
Kogi		
103	Lokoja	16 Aliyu Obaje Road, Okene/ Kabba Road, Opposite Stella Obasanjo Library, Lokoja, Kogi
104	Ayingba	Along Idah-Ajaokuta Road, Opposite General Post Office, Anyigba, Kogi
Kwara		
105	Murtala Mohammed Way, Ilorin	33, Murtala Mohammed Way, Ilorin, Kwara
106	Ibrahim Taiwo Road, Ilorin	79B Ibrahim Taiwo Road, Ilorin, Kwara
107	Abdulazeez Attah, Ilorin	120 Abdulazeez Atta Road, Surulere, Ilorin, Kwara
Lagos		
108	Oyin Jolayemi	Plot 1661, Oyin Jolayemi Street, Victoria Island, Lagos
109	Apapa 1	28 Creek Road, Apapa, Lagos
110	Apapa 2	16 Warehouse Road, Apapa, Lagos
111	Iponri	Shop 529–531, Iponri Shopping Complex, Iponri, Surulere, Lagos
112	Orile Coker	Block 11, Suite 3–8, Agric Market, Odun Ade Bus Stop, Orile Coker, Lagos
113	Wharf Road	Eleganza Plaza, 1 Wharf Road, Apapa, Lagos
114	Randle Road	Slok House, 10 Randle Road, Apapa, Lagos
115	Iddo	Leventis Building, 2–4 Iddo Road, Iddo, Lagos
116	Creek Road	Nnewi Building, 1–3 Creek Road, Apapa, Lagos
117	Allen Avenue	36 Allen Avenue, Ikeja, Lagos
118	Ikorodu	7 Lagos Road, Ikorodu, Lagos
119	Motorways	M1 Point Motorways Complex, Ikeja, Lagos

	Branch	Branch Address
120	Ogba	23 Ogba Ijaiye Road, Opposite WAEC office, Ogba, Lagos
121	Ketu	545/547 Ketu, Ikorodu Road, Lagos
122	Ikeja G.R.A.	48 Isaac John Street, Ikeja G.R.A., Lagos
123	Mobolaji Bank Anthony	18/20 Mobolaji Bank Anthony Way, Ikeja, Lagos
124	Oba Akran 1	29 Oba Akran Avenue, Ikeja, Lagos
125	Oba Akran 2	34 Oba Akran Road, Ikeja, Lagos
126	Akowonjo	Primateck Plaza, Shasha Roundabout, Akowonjo, Lagos
127	Agege	Old Abeokuta Express Road, Oko-Oba, Agege, Lagos
128	Idimu	218 Egbeda-Idimu Road, Idimu, Lagos
129	Ikeja Local Airport	MMA Zulu Terminal, Domestic Airport, Ikeja, Lagos
130	Oregun	80 Kudirat Abiola Way, Oregun, Ikeja, Lagos
131	Ogudu	Plot 111 Ogudu G.R.A., Ojota Road, Ogudu, Lagos
132	Head Office	Primrose Tower, 17A Tinubu Street, Lagos
133	Idumagbo	Daddy Doherty House, 34 Idumagbo Avenue, Lagos
134	Awolowo 1	68 Awolowo Road, Ikoyi, Lagos
135	Awolowo 2	154 Awolowo Road, Ikoyi, Lagos
136	Oke-Arin	11 Ijaiye Street, Oke Arin, Lagos
137	Idumota	22 Idoluwo Street, Idumota, Lagos
138	Broad Street	Banuso House, 88/89 Broad Street, Lagos
139	Macarthy	12 Macarthy Street, Onikan, Lagos
140	Marina	44 Marina Street, Lagos Island, Lagos
141	Davies Street	1 Davies Street, UNTL Building Off Marina Street, Lagos Island, Lagos
142	Oroyinyin	12 Oroyinyin Street, Idumota, Lagos Island, Lagos
143	Joseph Street	2 Joseph Street, Off Marina Street, Lagos Island, Lagos
144	Lekki Admiralty Way	Plot B, Block E12E, Admiralty Way, Lekki, Lagos

	Branch	Branch Address
145	Ajah	KM 23, Berger Bus Stop, Lekki-Epe Expressway, Ajah, Lagos
146	Palms	Shop 36A, The Palms Shopping Centre, Lekki-Epe Expressway, Lagos
147	Lekki	63/64 Igbokushu Village, Opposite Jakande Estate, Lekki, Lagos
148	Lekki Chevron	Km 18, Lekki-Epe Expressway, Before Chevron Roundabout, Lekki, Lagos
149	Airport Road	23/25 Murtala Mohammed International Airport Road, Ikeja, Lagos
150	Mushin	253 Agege Motor Road, Mushin, Lagos
151	Adeniran Ogunsanya	33 Adeniran Ogunsanya Street, Surulere, Lagos
152	Yaba	43 Ojuelegba Road, Surulere, Lagos
153	Matori	91 Ladipo Street, Matori, Lagos
154	Okota	117 Okota Road, Okota, Isolo, Lagos
155	Shomolu	3 Shipeolu Street, Mushin, Lagos
156	Onipanu	178 Ikorodu Road, Onipanu, Lagos
157	Ladipo	122/124 Ladipo Street, Beside AP Filling Station, Ladipo, Mushin, Lagos
158	Ilupeju	25B Ilupeju Bypass, off Coker Junction, Ilupeju, Lagos
159	Aspamda	Olusegun Obasanjo Hall, Aspamda, Trade Fair Complex, Badagry Expressway, Lagos
160	Amuwo-Odofin	Plot 123, Amuwo Odofin Road, Festac Link Bridge, Amuwo-Odofin, Lagos
161	Alaba 1	Obosi Plaza, A-line, Alaba International Market, Alaba, Lagos
162	Alaba 2	S Line, Old Garage, Alaba Electrical Section, Alaba International Market, Alaba, Lagos
163	Ojo	148A Olojo Drive, Ojo, Lagos
164	Trade Fair	Above Plaza, BBA Trade Fair Complex, Lagos
165	Osolo Way	33 Osolo Way, Ajao Estate, Lagos
166	Festac	Plot 1,572, 4th Avenue, Festac Town, Lagos

List of Branches

Continued

	Branch	Branch Address
167	Adeola Odeku	11B, Adeola Odeku Street, Victoria Island, Lagos
168	Sanusi Fafunwa	Founders Place, 2 Sanusi Fafunwa Street, Victoria Island, Lagos
169	Adeola Hopewell	38 Adeola Hopewell Street, Victoria Island, Lagos
170	Adetokunbo Ademola	Plot 719A, Adetokunbo Ademola Street, Victoria Island, Lagos
171	Akin Adesola	1 Akin Adesola Street, Victoria Island, Lagos
172	Ajose Adeogun	Plot 273A, Ajose Adeogun Street, Victoria Island, Lagos
Nasarawa		
173	Lafia	43 Sani Abacha Way (Jos Road), Lafia, Nasarawa
174	Sabon Tasha Keffi	75 Abdu Zanga Way, Tsohon Tasha, Keffi, Nasarawa
175	Doma	10 Wadata Lafia Road, Doma, Nasarawa
Niger		
176	Suleja	18 Suleiman Barau Road, Suleja, Niger
177	Minna 1	3 Paiko Road, Opposite CBN, Minna, Niger
Ogun		
178	Akute	54 Ojodu-Akute Road, Alagbole Bus Stop, Akute, Ogun
179	Alagbado	757 Lagos-Abeokuta Expressway, Salolo Alagbole, Ogun
180	Otta	57 Idi-Iroko Road, Sango Ota, Ogun
181	Agbara	1 Ilaro Street, Agbara Industrial Estate, Agbara, Ogun
182	Ijebu-Ode 1	168 Folagbade Street, Ijebu-Ode, Ogun
183	Ijebu-Ode 2	52 Ejirin Road, Impepe, Ijebu-Ode, Ogun
184	Abeokuta	21 Lalubu Street, Oke-Ilewo Abeokuta, Ogun
185	Sagamu	141 Akarigbo Street, Sagamu, Ogun
186	Ago-Iwoye	Permanent Site, Olabisi Onabanjo University, Ago-Iwoye, Ogun

	Branch	Branch Address
Ondo		
187	Ondo	1 Brigadier Ademulekun Road, Ondo Town, Ondo
188	Igbokoda	Plot 1E, 5B G.R.A Igbokoda, Ilaje, Ondo
189	Akure 1	5 Bishop Fagun Road, Alagbaka, Akure, Ondo
190	Akure 2	1 Olukayode House, Oshinle, Akure, Ondo
Osun		
191	Osogbo 1	KM 3, Gbongan/Ibadan Road, Osogbo, Osun
192	Osogbo 2	4 Gbogan road, opposite Fakunle Comprehensive high school, Osogbo, Osun
193	Ilesha	F16 Ereguru Street, Ilesha, Osun
Oyo		
194	Dugbe	23/25 Lebanon Street, Dugbe, Ibadan, Oyo
195	Bodija	Plot 3, University of Ibadan/ Secretariat Road, Bodija Extension, Bodija, Ibadan
196	Uch	University College Hospital, Opposite Total Filling Station, Ibadan, Oyo
197	Ojoo	1C Sabo Garage, Ojoo/Ibadan Express road, Ojoo, Ibadan, Oyo
198	Challenge Ibadan	10 Moshood Abiola way, Challenge, Ibadan, Oyo
199	Agbeni	57 Agbeni Market Road, Agbeni, Ibadan, Oyo
200	Agbowo	30 Oyo Road, Opposite UI Post Office, Ibadan, Oyo
201	Iwo Road	55 Iwo Road, Ibadan, Oyo
Plateau		
202	British American Junction Jos	British American Tobacco Junction, Bukuru Bypass, Jos, Plateau
203	Beach Road Jos	4 Beach Road, Opposite Plateau State Board of Internal Revenue Office, Jos, Plateau
204	Murtala Mohammed Way Jos	7 Murtala Mohammed Way, Jos, Plateau

	Branch	Branch Address
Rivers		
205	Garrison, Port Harcourt	85 Aba Road, By Garrison Junction, Port Harcourt, Rivers
206	Port Harcourt, Main	282A G.R.A. Bus Stop, Aba Road, Port Harcourt, Rivers
207	Olu Obasanjo	80 Olu Obasanjo Road, Port Harcourt, Rivers
208	Abuloma Road, Port Harcourt	46A Abuloma Road, Port Harcourt, Rivers
209	Aggrey Road, Port Harcourt	81 Aggrey Road, Port Harcourt, Rivers
210	Trans Amadi 2, Port Harcourt	Plot 466/467, Trans Amadi Industrial Layout, Port Harcourt, Rivers
211	Trans Amadi 3, Port Harcourt	117 Trans Amadi Industrial Layout, Port Harcourt, Rivers
212	Aba Road 2, Port Harcourt	9 Port Harcourt-Aba Expressway, Port Harcourt, Rivers
213	Ikwerre Road 1, Port Harcourt	19 Ikwerre Road, Mile 1, Diobu, Port Harcourt, Rivers
214	Ikwerre Road 2, Port Harcourt	457 Ikwerre Road, Port Harcourt, Rivers
215	Oyigbo	290 Old Aba Road, Oyigbo, Rivers
216	Azikiwe Road, Port Harcourt	7B Azikwe Road, Port Harcourt, Rivers
217	Rumuomasi, Port Harcourt	2/3 Rumuokoro Street, Rumuomasi, Port Harcourt, Rivers
218	Bori	26 Zaakpon/Poly Road, Bori, Port Harcourt, Rivers
219	Uniport Choba	200 UNIPORT Road, Choba, Port Harcourt, Rivers
220	Rumuokoro	642 Ikwerre Road, Rumuokoro, Port Harcourt, Rivers
221	Omoku	226 Ahoada Road, Omoku, Rivers

	Branch	Branch Address
Sokoto		
222	Sokoto	27 Sani Abacha Way (Old Kano Road), Sokoto
Taraba		
223	Jalingo	73 Hammaruwa Way, Jalingo, Taraba
Yobe		
224	Damaturu	29/32 Bukar Abba Ibrahim Way, Damaturu, Yobe
Zamfara		
225	Gusau	Plot 103, Sani Abacha Way, Gusau, Zamfara

Personal Account Application Form

This form should be completed in CAPITAL LETTERS.

Affix Passport Photograph Here

Category of Account: (Please tick as appropriate)

Joint Account ☐ Fixed Investment Account ☐ Savings Account ☐

Account Type: (Please tick as appropriate)

Current Account ☐ Fixed Deposit Account ☐ Savings Account ☐

Domiciliary Account £ ☐ € ☐ $ ☐ Others ☐

BRANCH ACCOUNT NO. (For official use only)

BANK VERIFICATION ID NO.

1. PERSONAL INFORMATION

Title First Name

Surname Other Names

Marital Status (Please tick) Single ☐ Married ☐ Other (Please specify) Gender: Male ☐ Female ☐

Date of Birth (DD/MM/YYYY) / / Country of Birth

Mother's Maiden Name

Nationality 2nd Nationality

Country of Residence

Permit Issue Date (DD/MM/YYYY) / / Permit Expiry Date (DD/MM/YYYY) / /

L.G.A. State of Origin

Tax Identification No. (TIN) Resident Permit No.

Purpose of Account Religion (Optional)

2. CHILD'S DETAILS

Full Name Other Names

Surname Date of Birth (DD/MM/YYYY) / / Gender: Male ☐ Female ☐

3A. CONTACT DETAILS

House Number Street Name

Nearest Bus Stop/Landmark

City/Town L.G.A.

State

Mailing Address

Phone Number (1) + Phone Number (2) +

Country Code Country Code

Email Address

Personal Account Application Form

Continued

3B. FOREIGN ADDRESS (IF ANY)

House Number ☐☐☐☐☐ Street Name ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

City/Town ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Postcode ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

State ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Country ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Type of Visa ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Phone Number + ☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Country Code Country Code

4. VALID MEANS OF IDENTIFICATION

National ID Card ☐ National Driver's Licence ☐ International Passport ☐ INEC Voters Card ☐

Others (Please specify) ☐☐

ID No. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ ID Issue Date (DD/MM/YYYY) ☐☐/☐☐/☐☐☐☐

ID Expiry Date (DD/MM/YYYY) ☐☐/☐☐/☐☐☐☐

Country of Issuance ☐☐☐

5. ACCOUNT SERVICE(S) REQUIRED (Please tick applicable option below)

Card Preferences: Verve Card ☐ MasterCard ☐ Visa Card ☐ Others (Please specify) ☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Electronic Banking Preferences: FCMBOnline ☐ FCMBMobile ☐ ATM ☐ POS ☐

Other Electronic Channels (Fees may apply) (Specify) ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Transaction Alert Preferences: Email Alert (Free) ☐ SMS Alert (Fee applies) ☐

Statement Preferences: Email ☐ Collection at Branch ☐

Statement Frequency: Monthly ☐ Quarterly ☐ Bi-Annually ☐ Annually ☐

Cheque Book Requisition: (Fee applies) Open Cheque ☐ Crossed Cheque ☐ 25 Leaves ☐ 50 Leaves ☐ 100 Leaves ☐

Cheque Confirmation: Would you like to pre-confirm your cheques? Yes ☐ No ☐

Cheque Confirmation Threshold: If yes, please specify the threshold ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

6. EMPLOYMENT DETAILS

Employed ☐ Self Employed ☐ Unemployed ☐ Retired ☐ Student ☐ Other (Please specify) ☐☐☐☐☐☐☐☐☐

Date of Employment (If employed) (DD/MM/YYYY) ☐☐/☐☐/☐☐☐☐

Annual Salary/Expected Annual Income: (a) Less than ₦50,000 ☐ (b) ₦51,000 – ₦250,000 ☐

(c) ₦251,000 – ₦500,000 ☐ (d) ₦501,000 – Less than ₦1 million ☐ (e) ₦1 million – Less than ₦5 million ☐

(f) ₦5 million – Less than ₦10 million ☐ (g) ₦10 million – Less than ₦20 million ☐ (h) Above ₦20 million ☐

Employer's Name ☐☐

House Number ☐☐☐☐☐ Street Name ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Nearest Bus Stop/Landmark ☐☐

City/Town ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ L.G.A. ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

State ☐☐

Type of Business/Occupation ☐☐

Office Phone No. 1 + ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ Office Phone No. 2 + ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Country Code Country Code

7. DETAILS OF NEXT OF KIN

First Name | Other Names

Surname

Date of Birth (DD/MM/YYYY) / / Gender: Male Female Title (Specify)

Relationship

Phone Number (1) + Country Code | Phone Number (2) + Country Code

Email Address

House Number | Street Name

Nearest Bus Stop/Landmark

City/Town

State

8. ADDITIONAL DETAILS

I Name of Beneficial Owner(s) (if any)

II Spouse's Name (if applicable)

III Spouse's Date of Birth (DD/MM/YYYY) / /

Spouse's Occupation

IV Source of Funds to the Account 1.

2.

V Expected Annual Income from Other Sources

VI Name of Associated Business(es) (if any) 1.

2.

3.

VII Type of Business

VIII Business Address

IX How did you hear about us? TV Radio Press Online Word of Mouth

Other (please specify)

9. ACCOUNT(S) HELD WITH OTHER BANKS

S/N	NAME AND ADDRESS OF BANK/BRANCH	ACCOUNT NAME	ACCOUNT NUMBER	STATUS ACTIVE/DORMANT
1.				
2.				
3.				
4.				

Personal Account Application Form

Continued

10. TERMS AND CONDITIONS

I/We hereby certify that the information given on this form is correct and that I/We have read, understood and agree with the Account opening terms and conditions governing the selected account(s)

Principal Account Holder's Signature

Mandate/Special Instructions
(Minimum Confirmation Amount/Signature Mandate)

JOINT ACCOUNT HOLDER (PLEASE COMPLETE ALL SECTIONS IN CAPITAL LETTERS)

Name(s) ______________________________

Contact Address ______________________________

____

Mobile ______________ Date of Birth ______________

Email Address ______________________________

Gender: Male ☐ Female ☐

Joint Account Holder's Signature

Please Affix your Passport Photograph Here

Joint Account Holder

11. DECLARATION:

I hereby apply for the opening of account(s) with First City Monument Bank Limited. I understand that the information given herein and the documents supplied are the basis for opening such account(s) and I therefore warrant that such information is correct.

I further undertake to indemnify the bank of any loss suffered as a result of any false information or error in the information provided to the Bank.

1. Name ______________________ Signature ______________________ Date ______________

1. Name ______________________ Signature ______________________ Date ______________

12. JURAT (this should be adopted where the applicant is not literate or is blind and the form is read to him/her by a third party)

I agree to abide by the content of the agreement and acknowledge that it has been truly and audibly read over and explained to me by an interpreter.

Mark of Customer/ Thumbprint

Magistrate/ Commissioner for Oaths

Date ☐☐/☐☐/☐☐☐☐

Name of Interpreter

Address of Interpreter

Tel: No.

Language of Interpretation

Notes

Notes

FCMB Group Plc

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