FCMB Group Plc

Unaudited Interim Financial Statements

For the period ended 30 September 2018

FCMB GROUP PLC
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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

		GROUP		COMPANY	
In thousands of Naira	Note	9 months ended 30 September 2018	9 months ended 30 September 2017	9 months ended 30 September 2018	9 months ended 30 September 2017
Gross earnings		**132,874,760**	118,816,100	**2,032,287**	921,013
Interest and discount income	8	**95,417,157**	96,276,569	**336,619**	647,996
Interest expense	9	**(42,181,962)**	(46,374,749)	**-**	-
Net interest income		**53,235,195**	49,901,820	**336,619**	647,996
Fee and commission income	11	**19,888,525**	15,549,324	**-**	-
Fee and commission expense	11	**(4,428,783)**	(3,811,484)	**(6)**	(8)
Net fee and commission income		**15,459,742**	11,737,840	**(6)**	(8)
Net trading income	12	**4,581,342**	1,725,774	**147,064**	-
Net income from financial instruments measured at fair value through profit or loss	13	**-**	103,383	**-**	-
Other income	14	**12,987,736**	5,161,050	**1,548,604**	273,017
		17,569,078	6,990,207	**1,695,668**	273,017
Net impairment loss on financial assets	10	**(14,626,854)**	(12,653,298)	**-**	-
Personnel expenses	15	**(18,111,677)**	(16,464,009)	**(245,755)**	(150,474)
Depreciation and amortisation expenses	16	**(4,132,764)**	(3,911,210)	**(15,720)**	(16,606)
General and administrative expenses	17	**(21,857,950)**	(19,078,067)	**(422,445)**	(325,063)
Other operating expenses	18	**(12,767,461)**	(9,850,261)	**(154,451)**	(177,561)
Results from operating activities		**14,767,309**	6,673,022	**1,193,910**	251,301
Share of post tax result of associate		**-**	168,406	**-**	-
Profit before minimum tax and income tax		**14,767,309**	6,841,428	**1,193,910**	251,301
Minimum tax	20	**(2,066,749)**	(675,000)	**-**	-
Income tax expense	20	**(1,359,202)**	(697,483)	**-**	-
Profit for the period		**11,341,358**	5,468,945	**1,193,910**	251,301
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Net gains /(losses) on equity instruments (OCI election):					
- Net gains /(losses) arising during the period		**7,483,200**	-	-	-
		7,483,200	**-**	**-**	**-**
Items that may be subsequently reclassified to profit or loss					
Net gains /(losses) on debt instruments at FVOCI:					
- Unrealised net (losses)/gains arising during the period	25(g)	**(1,561,937)**	-		-
- Other (losses) / gains arising during the period		**751**	-	**-**	-
- Foreign currency translation differences for foreign operations		**1,248,614**	29,200	**-**	-
		(312,572)	29,200	**-**	-
Net gains /(losses) on available-for-sale:					
- Unrealised net (losses)/gains arising during the period		**-**	691,331	**-**	-
		-	691,331	**-**	-
Other comprehensive income (loss) for the period, net of tax		**7,170,628**	720,531	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**18,511,986**	6,189,476	**1,193,910**	251,301
Profit attributable to:					
Equity holders of the Company		**11,272,423**	5,468,945	**1,193,910**	251,301
Non-controlling interests		**68,935**	-	**-**	-
		11,341,358	5,468,945	**1,193,910**	251,301
Total comprehensive income attributable to:					
Equity holders of the Company		**18,443,051**	6,189,476	**1,193,910**	251,301
Non-controlling interests		**68,935**	-	**-**	-
		18,511,986	6,189,476	**1,193,910**	251,301
Basic and diluted earnings per share (Naira)	19	**0.57**	0.28	**0.06**	0.01

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

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

For the three months ended 30 September (Unaudited)	GROUP				COMPANY			
	3RD QTR ENDED SEPTEMBER		YEAR-TO-DATE ENDED SEPTEMBER		3RD QTR ENDED SEPTEMBER		YEAR-TO-DATE ENDED SEPTEMBER	
In thousands of Naira	2018	2017	2018	2017	2018	2017	2018	2017
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross Earnings	**48,950,104**	41,307,746	**132,874,760**	118,816,100	**680,585**	352,065	**2,032,287**	921,013
Interest income	**31,107,071**	33,922,867	**95,417,157**	96,276,569	**118,438**	232,485	**336,619**	647,996
Interest expense	**(13,141,053)**	(16,517,770)	**(42,181,962)**	(46,374,749)	**-**	-	**-**	-
Net interest income	**17,966,018**	17,405,097	**53,235,195**	49,901,820	**118,438**	232,485	**336,619**	647,996
Fee and commission income	**6,877,330**	6,084,260	**19,888,525**	15,549,324	**-**	-	**-**	-
Fee and commission expense	**(1,351,346)**	(1,555,973)	**(4,428,783)**	(3,811,484)	**-**	-	**(6)**	(8)
Net fee and commission income	**5,525,984**	4,528,287	**15,459,742**	11,737,840	**-**	-	**(6)**	(8)
Net trading income	**669,367**	368,724	**4,581,342**	1,725,774	**9,636**	-	**147,064**	-
Net income from financial instruments measured at fair value through profit or loss	**-**	(51)	**-**	103,383	**-**	-	**-**	-
Other revenue	**10,296,336**	931,946	**12,987,736**	5,161,050	**552,511**	119,580	**1,548,604**	273,017
Revenue	**10,965,703**	1,300,619	**17,569,078**	6,990,207	**562,147**	119,580	**1,695,668**	273,017
Net impairment loss on financial assets	**(7,293,897)**	(2,681,415)	**(14,626,854)**	(12,653,298)	**-**	-	**-**	-
Personnel expenses	**(6,089,650)**	(4,951,754)	**(18,111,677)**	(16,464,009)	**(116,293)**	(45,355)	**(245,755)**	(150,474)
Depreciation & amortisation expenses	**(1,419,111)**	(1,303,476)	**(4,132,764)**	(3,911,210)	**(5,235)**	(5,507)	**(15,720)**	(16,606)
General and administrative expenses	**(8,304,785)**	(6,824,610)	**(21,857,950)**	(19,078,067)	**(122,778)**	(118,756)	**(422,445)**	(325,063)
Other expenses	**(3,687,772)**	(4,515,961)	**(12,767,461)**	(9,850,261)	**(56,914)**	(60,421)	**(154,451)**	(177,561)
Results from operating activities	**7,662,490**	2,956,787	**14,767,309**	6,673,022	**379,365**	122,026	**1,193,910**	251,301
Share of post tax result of associate	**-**	60,420	**-**	168,406	**-**	-	**-**	-
Profit before minimum tax and income tax	**7,662,490**	3,017,207	**14,767,309**	6,841,428	**379,365**	122,026	**1,193,910**	251,301
Minimum tax	**(1,616,749)**	(225,000)	**(2,066,749)**	(675,000)	**-**	-	**-**	-
Income tax expense	**(430,369)**	(342,112)	**(1,359,202)**	(697,483)	**-**	-	**-**	-
Profit for the period	**5,615,372**	2,450,095	**11,341,358**	5,468,945	**379,365**	122,026	**1,193,910**	251,301
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Net gains /(losses) on equity instruments (OCI election):								
- Net gains /(losses) arising during the period	**7,483,200**	-	**7,483,200**	-	**-**	-	**-**	-
	7,483,200	-	**7,483,200**	-	**-**	-	**-**	-
Items that may be subsequently reclassified to profit or loss								
- Unrealised net (losses)/gains arising during the period	**(2,051,296)**	(37,445)	**(1,561,937)**	-	**-**	-	**-**	-
- Other (losses) / gains arising during the period	**751**	-	**751**	-	**-**	-	**-**	-
- Foreign currency translation differences for foreign operations	**1,248,614**	29,200	**1,248,614**	29,200	**-**	-	**-**	-
- Unrealised net (losses)/gains arising during the period	**949,922**	238,080	**-**	691,331	**-**	-	**-**	-
Other comprehensive income for the period, net of tax	**147,991**	229,835	**(312,572)**	720,531	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**13,246,563**	2,679,930	**18,511,986**	6,189,476	**379,365**	122,026	**1,193,910**	251,301
Profit attributable to:								
Equity holders of the Company	**5,616,158**	2,450,095	**11,272,423**	5,468,945	**1,193,910**	251,301	**1,193,910**	251,301
Non-controlling interests	**(786)**	-	**68,935**	-	**-**	-	**-**	-
	5,615,372	2,450,095	**11,341,358**	5,468,945	**1,193,910**	251,301	**1,193,910**	251,301
Total comprehensive income attributable to:								
Equity holders of the Company	**13,247,349**	2,679,930	**18,443,051**	6,189,476	**1,193,910**	251,301	**1,193,910**	251,301
Non-controlling interests	**(786)**	-	**68,935**	-	**-**	-	**-**	-
	13,246,563	2,679,930	**18,511,986**	6,189,476	**1,193,910**	251,301	**1,193,910**	251,301
Basic and diluted earnings per share (naira)	**0.28**	0.12	**0.57**	0.28	**0.06**	0.01	**0.06**	0.01

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

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

		GROUP				COMPANY			
		3RD QTR ENDED SEPTEMBER		YEAR-TO-DATE ENDED SEPTEMBER		3RD QTR ENDED SEPTEMBER		YEAR-TO-DATE ENDED SEPTEMBER	
		2018 N'000	2017 N'000	2018 N'000	2017 N'000	2018 N'000	2017 N'000	2018 N'000	2017 N'000
1	**Interest income**								
	Cash and cash equivalents	**380,997**	88,064	**1,428,497**	460,250	**3,303**	94,192	**12,230**	326,201
	Loans and advances to customers	**24,392,132**	27,391,806	**72,675,912**	78,220,226	**-**	-	**-**	-
	Investment securities at amortised cost	**711,694**	7,960,933	**9,094,416**	11,480,584	**115,135**	138,293	**324,389**	321,795
	Investment securities at FVOCI (2017: available for sale)	**5,622,248**	(1,517,936)	**12,218,332**	6,115,509	**-**	-	**-**	-
		31,107,071	33,922,867	**95,417,157**	96,276,569	**118,438**	232,485	**336,619**	647,996
2	**Interest expense**								
	Deposits from banks	**100,122**	1,363,066	**196,031**	3,427,013	**-**	-	**-**	-
	Deposits from customers	**9,604,410**	11,379,934	**28,943,014**	28,441,942	**-**	-	**-**	-
		9,704,532	12,743,000	**29,139,045**	31,868,955	**-**	-	**-**	-
	Borrowings	**2,336,847**	469,339	**6,361,500**	6,288,767	**-**	-	**-**	-
	Debt issues securities	**2,229,747**	2,093,959	**6,365,048**	6,213,727	**-**	-	**-**	-
	Onlending facitilies	**(1,130,073)**	1,211,472	**316,369**	2,003,300	**-**	-	**-**	-
		13,141,053	16,517,770	**42,181,962**	46,374,749	**-**	-	**-**	-
3	**Net impairment loss on financial assets**								
	Loan and advances	**2,480,295**	3,313,249	**11,570,518**	15,076,542	**-**	-	**-**	-
	Other assets	**3,660,872**	(121,235)	**5,118,426**	366,370	**-**	-	**-**	-
	Investment securities - amortised cost	**1,538,830**	9,095	**1,538,830**	9,095	**-**	-	**-**	-
	Investment securities - fair value other comprehensive income	**751**	-	**751**	-	**-**	-	**-**	-
	Placements	**1,319**	-	**1,319**	-	**-**	-	**-**	-
	Recoveries on loans previously written off	**(384,928)**	(519,694)	**(3,599,748)**	(2,798,709)	**-**	-	**-**	-
		7,293,897	2,681,415	**14,626,854**	12,653,298	**-**	-	**-**	-
4	**Net fee and commission income**								
	Credit related fees	**194,166**	132,986	**331,323**	239,401	**-**	-	**-**	-
	Account Maintenance	**802,029**	1,263,450	**2,415,718**	2,727,601	**-**	-	**-**	-
	Letters of credit commission	**264,046**	301,967	**654,845**	762,647	**-**	-	**-**	-
	Asset Management Fees	**700,577**	-	**2,226,908**	-	**-**	-	**-**	-
	Admininstration Fees	**36,615**	-	**109,870**	-	**-**	-	**-**	-
	Commission on off-balance sheet transactions	**116,535**	234,774	**368,012**	320,671	**-**	-	**-**	-
	Electronics fees and commissions	**2,090,816**	1,864,639	**6,013,517**	4,900,639	**-**	-	**-**	-
	Service fees and commissions	**2,672,546**	2,286,444	**7,768,332**	6,598,365	**-**	-	**-**	-
	Gross Fee and commission income	**6,877,330**	6,084,260	**19,888,525**	15,549,324	**-**	-	**-**	-
	Electronics fees and commissions recoverable expenses	**(980,851)**	(1,375,380)	**(3,726,697)**	(3,387,772)	**-**	-	**-**	-
	Cheque books recoverable expenses	**(4,249)**	(12,146)	**(24,472)**	(37,313)	**-**	-	**-**	-
	Other banks charges	**(366,246)**	(168,447)	**(677,614)**	(386,399)	**-**	-	**(6)**	(8)
	Fee and commission expense	**(1,351,346)**	(1,555,973)	**(4,428,783)**	(3,811,484)	**-**	-	**(6)**	(8)
	Net fee and commission income	**5,525,984**	4,528,287	**15,459,742**	11,737,840	**-**	-	**(6)**	(8)
	Net trading income								
	Foreign exchange trading income	**169,271**	17,575	**1,941,738**	368,177	**9,636**	-	**147,064**	-
	Bonds trading (loss) / income	**788,515**	(50,404)	**1,053,170**	99,952	**-**	-	**-**	-
	Treasury bills trading income	**(287,707)**	400,367	**1,579,872**	1,228,400	**-**	-	**-**	-
	Equities trading income	**(712)**	1,186	**6,562**	29,245	**-**	-	**-**	-
		669,367	368,724	**4,581,342**	1,725,774	**9,636**	-	**147,064**	-
5	**Net gains / (losses) from other financial instruments at fair value**								
	Net gains / (losses) arising on:								
	Net gain / (losses) on investment securities	**-**	(51)	**-**	103,383	**-**	-	**-**	-
		-	(51)	**-**	103,383	**-**	-	**-**	-
6	**Other revenue**								
	Dividends on equity investment securities in the subsidiaries	**-**	-	**-**	-	**-**	106,492	**120,129**	106,492
	Dividends on unquoted equity securities at cost	**60,731**	5,746	**481,025**	538,927	**-**	-	**-**	121,925
	Foreign exchange gains	**9,040,938**	428,074	**10,389,737**	1,031,915	**138,087**	(1,779)	**257,508**	6,631
	Profit on disposal of investment securities	**400,000**	-	**1,082,760**	-	**400,000**	-	**1,082,760**	-
	Profit / (loss) on sale of property and equipment	**6,403**	(23,739)	**14,833**	1,055,808	**-**	-	**46**	46
	Other income	**788,264**	521,865	**1,019,381**	2,534,400	**14,424**	14,867	**88,161**	37,923
		10,296,336	931,946	**12,987,736**	5,161,050	**552,511**	119,580	**1,548,604**	273,017
7	**Other operating expenses**								
	Personnel expenses	**6,089,650**	4,951,754	**18,111,677**	16,464,009	**116,293**	45,355	**245,755**	150,474
	Depreciation	**1,079,707**	1,013,480	**3,162,617**	3,073,494	**5,235**	5,266	**15,720**	15,884
	Amortisation	**339,404**	289,996	**970,147**	837,716	**-**	241	**-**	722
	Gen & Admin	**8,304,785**	6,824,610	**21,857,950**	19,078,067	**122,778**	118,756	**422,445**	325,063
	Other expenses	**3,687,772**	4,515,961	**12,767,461**	9,850,261	**56,914**	60,421	**154,451**	177,561
		19,501,318	17,595,801	**56,869,852**	49,303,547	**301,220**	230,039	**838,371**	669,704
	Earnings per share								
	Profit attributable to equity holders of the Company	**5,615,372**	2,450,095	**11,341,358**	5,468,945	**1,193,910**	251,301	**1,193,910**	251,301
	Weighted average number of ordinary shares in issue (in '000s)	**19,802,710**	19,802,710	**19,802,710**	19,802,710	**19,802,710**	19,802,710	**19,802,710**	19,802,710
	Basic earnings per share (expressed in Naira per share)	0.28	0.12	0.57	0.28	0.06	0.01	0.06	0.01

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 SEP 2018**	**31 DEC 2017**	**30 SEP 2018**	**31 DEC 2017**
ASSETS					
Cash and cash equivalents	21	**154,848,858**	103,888,007	**251,345**	146,366
Restricted reserve deposits	22	**134,081,490**	109,638,559	**-**	-
Trading assets	23(a)	**41,086,055**	23,936,031	**-**	-
Loans and advances to customers	24	**601,851,805**	649,796,726	**-**	-
Assets pledged as collateral	26	**70,333,544**	61,330,157	**-**	-
Investment securities	25	**203,299,651**	153,428,659	**4,103,948**	5,109,140
Investment in subsidiaries	27	**-**	-	**126,039,164**	125,594,702
Property and equipment	28	**35,357,428**	33,402,173	**24,378**	38,022
Intangible assets	29	**15,295,236**	14,920,960	**-**	-
Deferred tax assets	30	**8,258,807**	8,233,563	**-**	-
Other assets	31	**30,611,006**	27,604,320	**134,237**	748,575
Total assets		**1,295,023,880**	1,186,179,155	**130,553,072**	131,636,805
LIABILITIES					
Trading liabilities	23(b)	**27,670,741**	21,616,660	**-**	-
Deposits from banks	32	**28,708,283**	6,355,389	**-**	-
Deposits from customers	33	**755,890,938**	689,860,640	**-**	-
Borrowings	34	**95,595,192**	109,434,970	**-**	-
On-lending facilities	35	**51,762,090**	42,534,316	**-**	-
Debt securities issued	36	**56,613,341**	54,691,520	**-**	-
Retirement benefit obligations	37	**156,638**	70,364	**-**	-
Current income tax liabilities	20(iv)	**5,884,695**	3,860,163	**55,155**	59,915
Deferred tax liabilities	30	**132,066**	106,821	**-**	-
Provision	38	**6,740,681**	5,222,471.00	**303,630**	303,630
Other liabilities	39	**86,927,360**	63,458,211	**1,336,051**	1,628,663
Total liabilities		**1,116,082,025**	997,211,525	**1,694,836**	1,992,208
EQUITY					
Share capital	40(b)	**9,901,355**	9,901,355	**9,901,355**	9,901,355
Share premium	41	**115,392,414**	115,392,414	**115,392,414**	115,392,414
Retained earnings	41	**26,420,445**	30,266,965	**3,564,467**	4,350,828
Other reserves	41	**26,954,981**	33,044,691	**-**	-
Total Equity attributable to owners of the Company		**178,669,195**	188,605,425	**128,858,236**	129,644,597
Non-controlling Interests		**272,660**	362,206		
		178,941,855	188,967,630	**128,858,236**	129,644,597
Total liabilities and equity		**1,295,023,880**	1,186,179,155.30	**130,553,072**	131,636,805
Acceptances and guarantees	43(b)	**181,072,816**	164,901,240	**-**	-

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

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

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

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

GROUP
In thousands of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Actuarial reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Non-controlling Interest	Total equity
Balance at 1 January 2018	**9,901,355**	**115,392,414**	**30,266,964**	**8,887,811**	**-**	**-**	**6,852,261**	**2,547,807**	**14,756,812**	**362,206**	**188,967,630**
Prior years adjustment (see Note 39('c))	-	-	(1,505,819)	-	-	-	-	-	-	-	(1,505,819)
Adjustments on initial application of IFRS 9 (Note 44)	-	-	(24,897,035)	-	-	-	-	14,300	-	-	(24,882,735)
Transfer from regulatory risk reserve	-	-	14,204,674	-	-	-	-	-	(14,204,674)	-	-
Prior year adjustment for subsidiary	-	-	(10,456)	-	-	-	-	-	-	-	(10,456)
Restated balance as at 1 January 2018	**9,901,355**	**115,392,414**	**18,058,328**	**8,887,811**	**-**	**-**	**6,852,261**	**2,562,107**	**552,138**	**362,206**	**162,568,620**
Profit for the period	-	-	11,272,423	-	-	-	-	-	-	68,935	**11,341,358**
Other comprehensive income											
Net gains /(losses) on equity instruments (OCI election)	-	-	-	-	-	-	-	7,483,200	-	-	**7,483,200**
Net gains /(losses) on debt instruments at FVOCI	-	-	-	-	-	-	1,248,614	(1,561,186)	-	-	**(312,572)**
Total comprehensive income for the period	**-**	**-**	**11,272,423**	**-**	**-**	**-**	**1,248,614**	**5,922,014**	**-**	**68,935**	**18,511,986**
Transfer between reserves											
Transfer to statutory reserve	-	-	(930,036)	930,036	-	-	-	-	-	-	**-**
Transactions with owners recorded directly in equity											**-**
Dividend paid	-	-	(1,980,270)	-	-	-	-	-	-	-	**(1,980,270)**
Transactions with minority shareholders recorded directly in equity											
Dividend paid										(75,372)	**(75,372)**
Reduction due to acquisition of part minority interest by the Group										(83,109)	**(83,109)**
Total Contributions by and distributions	**-**	**-**	**(2,910,306)**	**930,036**	**-**	**-**	**-**	**-**	**-**	**(158,481)**	**(2,138,751)**
Balance at 30 September 2018	**9,901,355**	**115,392,414**	**26,420,445**	**9,817,847**	**-**	**-**	**8,100,875**	**8,484,121**	**552,138**	**272,660**	**178,941,855**
Balance at 1 January 2017	**9,901,355**	**115,392,414**	**32,458,239**	**7,753,811**	**-**	**-**	**5,795,630**	**1,293,023**	**6,278,522**	**-**	**178,872,994**
Profit for the period	-	-	5,468,945	-	-	-	-	-	-		**5,468,945**
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	29,200	-	-		**29,200**
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	691,331	-	-		**691,331**
Total comprehensive income for the period	**-**	**-**	**5,468,945**	**-**	**-**	**-**	**720,531**	**-**	**-**		**6,189,476**
Transfer between reserves											
Transfer to statutory reserve	-	-	(37,695)	37,695	-	-	-	-	-		**-**
Transfer from regulatory risk reserve	-	-	(1,442,907)	-	-	-	-	-	1,442,907		**-**
Transactions with owners recorded directly in equity											
Dividend paid	-	-	(1,980,270)	-	-	-	-	-	-		**(1,980,270)**
Total Contributions by and distributions	**-**	**-**	**(1,980,270)**	**-**	**-**	**-**	**-**	**-**	**-**		**(1,980,270)**
Balance at 30 September 2017	**9,901,355**	**115,392,414**	**34,466,313**	**7,791,506**	**-**	**-**	**6,516,161**	**1,293,023**	**7,721,429**		**183,082,200**

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

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

COMPANY

In thousand of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Actuarial reserve	Translation reserve	Fair value reserve	Regulatory risk reserve	Non-controlling Interest	Total equity
Balance at 1 January 2018	**9,901,355**	**115,392,414**	**4,350,828**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**129,644,597**
Profit for the period	-	-	**1,193,910**	-	-	-	-	-	-	-	**1,193,910**
Other comprehensive income											
Net gains /(losses) on equity instruments (OCI election)	-	-	-	-	-	-	-	-	-	-	**-**
Net gains /(losses) on debt instruments at FVOCI	-	-	-	-	-	-	-	**-**	-	-	**-**
Total comprehensive income for the period	-	-	**1,193,910**	-	**-**	-	-	**-**	-	-	**1,193,910**
Transactions with owners recorded directly in equity											
Dividend paid	-	-	(1,980,271)	-	-	-	-	-	-	-	(1,980,271)
Total Contributions by and distributions	**-**	**-**	**(1,980,271)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,980,271)**
Balance at 30 September 2018	**9,901,355**	**115,392,414**	**3,564,467**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**128,858,236**
Balance at 1 January 2017	**9,901,355**	**115,392,414**	**4,806,213**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**130,099,982**
Profit for the period	-	-	251,301	-	-	-	-	-	-	-	**251,301**
Other comprehensive income											
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	**-**
Total comprehensive income for the period	**-**	**-**	**251,301**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**251,301**
Total Contributions by and distributions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 September 2017	**9,901,355**	**115,392,414**	**5,057,514**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**130,351,283**

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 SEP 2018**	**30 SEP 2017**	**30 SEP 2018**	**30 SEP 2017**
Cash flows from operating activities					
Profit for the period		**11,341,358**	5,468,945	**1,193,910**	251,301
Adjustments for:					-
Net impairment loss on financial assets	10	**14,626,854**	12,653,298	**-**	-
Fair value (gain)/loss on financial assets held for trading		**(628,914)**	(46,978)	**-**	-
Net income from other financial instruments at fair value through profit or loss	13	**-**	(103,383)	**-**	-
Amortisation of intangibles	16	**970,147**	837,716	**-**	722
Depreciation of property and equipment	16	**3,162,617**	3,073,494	**15,720**	15,884
(Gain)/loss on disposal of property and equipment	14	**(14,833)**	(1,055,808)	**(46)**	(46)
(Gain)/loss on disposal of intangible assets	29	**-**	-	**-**	-
(Gain)/loss on disposal of investment securities	14	**(1,082,760)**	-	**(1,082,760)**	-
Unrealised foreign exchange gains	14	**(10,389,737)**	(1,031,915)	**(257,508)**	(6,631)
Net interest income		**(53,235,195)**	(49,901,820)	**(336,619)**	(647,996)
Tax expense	20	**3,425,951**	1,372,483	**-**	-
		(31,824,512)	(28,733,968)	**(467,303)**	(386,766)
Changes in operating assets and liabilities					
Net decrease/ (increase) in restricted reserve deposits		**(24,442,931)**	49,913,825	**-**	-
Net decrease in derivative assets held for risk management		**-**	1,018,912	**-**	-
Net increase in trading assets		**(17,589,186)**	(5,073,984)	**-**	-
Net decrease/(increase) in loans and advances to customers		**35,685,706**	7,220,847	**-**	-
Net increase in other assets		**14,474,271**	13,957,214	**614,338**	1,383,544
Net increase /(decrease) in trading liabilities		**6,054,081**	(13,967,874)	**-**	-
Net (decrease) / increase in deposits from banks		**22,352,894**	(2,602,660)	**-**	-
Net increase / (decrease) in deposits from customers		**66,030,298**	(21,333,714)	**-**	-
Net increase in on-lending facilities		**5,282,083**	13,581,553	**-**	-
Net decrease in derivative liabilities held for risk management		**-**	(770,201)	**-**	-
Net increase /(decrease) in provision		**3,572,807**	-	**-**	-
Net decrease in other liabilities		**22,721,258**	(60,905,763)	**(292,612)**	(129,995)
		102,316,769	(47,695,813)	**(145,577)**	866,783
Interest received		**101,583,569**	104,368,197	**336,619**	647,996
Interest paid		**(43,049,641)**	(50,851,139)	**-**	-
Dividends received	14	**481,025**	538,927	**120,129**	228,417
VAT paid		**(684,774)**	(668,678)	**(1,972)**	-
Income taxes paid	20(iv)	**(1,348,867)**	(738,802)	**(4,760)**	-
Net cash generated from /(used in) operating activities		**159,298,081**	4,952,692	**304,439**	1,743,196
Cash flows from investing activities					
Investment in subsidiaries		**-**	-	**(444,462)**	-
Purchase of property and equipment	28	**(5,258,210)**	(3,547,218)	**(2,077)**	(357)
Purchase of intangible assets	29(a)	**(845,006)**	(927,470)	**-**	-
Purchase of intangible assets - Work-in-progress	29(a)	**(68,856)**	2,093,636		
Proceeds from sale of property and equipment		**146,209**	-	**46**	720
Acquisition of investment securities		**(85,013,979)**	(99,854,445)	**-**	-
Proceeds from sale and redemption of investment securities		**4,736,462**	89,474,812	**2,492,714**	262,163
Net cash used in investing activities		**(86,303,380)**	(12,760,685)	**2,046,221**	262,526
Cash flows from financing activities					
Dividend paid		**(1,980,270)**	(1,980,270)	**(1,980,271)**	(1,980,270)
Proceeds from long term borrowing	34(c)	**24,787,236**	9,213,002	**-**	-
Repayment of long term borrowing	34(c)	**(48,115,033)**	(25,731,115)	**-**	-
Net cash used in financing activities		**(25,308,067)**	(18,498,383)	**(1,980,271)**	(1,980,270)
Net (decrease) / increase in cash and cash equivalents		**47,686,634**	(26,306,375)	**370,389**	25,452
Cash and cash equivalents at start of period		**103,888,007**	143,168,399	**146,366**	5,817,754
Effect of exchange rate fluctuations on cash and cash equivalents held		**3,274,217**	3,168,968	**(265,410)**	(1,410,720)
Cash and cash equivalents at end of period		**154,848,858**	120,030,991	**251,345**	4,432,486

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1 Reporting entity

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

The principal activity of FCMB Group Plc is to carry on business as a financial holding company, investing in and holding controlling shares in, as well as managing equity investments in Central Bank of Nigeria approved financial entities. The Company has six direct subsidiaries; First City Monument Bank Limited (100%), FCMB Capital Markets Limited (100%), CSL Stockbrokers Limited (100%), CSL Trustees Limited (100%), FCMB Microfinance Bank Limited (100%) and Legacy Pension Managers Limited (91.64%).

FCMB Group Plc is a company domiciled in Nigeria. The address of the company's registered office is 44 Marina, Lagos. These unaudited reports for the period ended 30 September 2018 comprise the Company and its subsidiaries (together referred to as the 'Group').

2 Changes in accounting policies

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated and separate financial statements. The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of 1 January 2018.

i. IFRS 9 Financial Instruments.

The Group has adopted IFRS 9, "Financial Instruments" as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Group did not early adopt IFRS 9 in previous periods.

The major change in the current adoption relates to the impairment of financial assets. As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Adjustments to the carrying amounts of financial assets and financial liabilities at the date of the transition were recognised in the opening retained earnings and other reserves of the current period.

The adoption of IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 (Financial Instrument Disclosures). Consequently for notes disclosure, the consequential amendments to IFRS 7 disclosures will also only been applied in the current period, see note 4. The comparative period disclosures repeat those disclosure made in the prior year.

The key changes to the Group's accounting policies resulting from its adoption of IFRS 9 are summarized below.

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. For an explanation of how the Group classifies financial assets under IFRS 9, see Note 3(K)(ii).

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated under the fair value option were recognised in profit and loss, under IFRS 9 fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit and loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairement model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under IFRS 9, credit losses are recognised earlier than under IAS 39, see Note 3(K)(vii).

Transition

As permitted by the transitional provisions of IFRS 9, comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented to 2018 under IFRS 9.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

(i). The determination of The business model within which a financial asset is held.
(ii). The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or
(iii). The designation of certain investments in equity instruments not held for trading at fair value through other comprehensive income
(iv). For financial liabilities designated as at fair value through profit or loss, the determination of whether presenting the effects of changes in the financial liability's credit risk in OCI would create or enlarge an accounting mismatch in profit and loss.

- If a debt security had low credit risk at the date of initial applicationof IFRS 9, then the Group has assumed that credit risk on the asset had not increased significantly since its initial recognition.

For more information and details on the changes and applications resulting from the adoption of IFRS 9, see Note 41.

ii. IFRS 15: Revenue from contracts with customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, effective for periods beginning on 1 January 2018 with early adoption permitted. IFRS 15 defines principles for recognizing revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g. IFRS 9, and IFRS 16 Leases). Revenue under IFRS 15 will need to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The following five step model in IFRS 15 is applied in determining when to recognize revenue, and at what amount:

a) Identify the contract(s) with a customer
b) Identify the performance obligations in the contract
c) Determine the transaction price
d) Allocate the transaction price to the performance obligations in the contract
e) Recognise revenue when (or as) the entity satisfies a performance obligation

The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and the corresponding cash flows with customers. This standard does not have any significant impact on the Group.

Transition

Changes in accounting policies resulting from the adoption of IFRS 15 have been applied prospectively.

3 Significant Accounting Policies

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(a) Basis of preparation

(i) Statement of compliance

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

(ii) Basis of measurement

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

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

(iii) Functional and presentation currency

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

(iv) Use of estimates and judgments

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

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

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 5.

(b) Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Special purpose entities

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

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

(iii) Loss of control

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

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

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

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

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

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

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

(v) Transactions eliminated on consolidation

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

(vi) Non-controlling interest

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(c) Foreign currency

(i) Foreign currency transactions

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

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

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

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

(ii) Foreign operations

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

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

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

(d) Interest

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

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

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

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

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.

- Interest on available for sale investment securities calculated on an effective interest rate basis

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

(e) Fees and commission

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

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

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

(f) Net trading income

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

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

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

(h) Dividend income

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

(i) Leases

(i) Lease payments – Lessee

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

(ii) Lease assets – Lessee

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

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

(iii) Lease assets – Lessor

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

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

(j) Income Tax

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

(i) Current income tax

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

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

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

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

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

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

(iii) Tax exposures

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

(k) Financial assets and financial liabilities

(i) Recognition and initial measurement

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

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

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Effective from 1 January 2018, on initial recognision, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income or fair value through profit or loss.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or
- The asset is held within a business model whose objective is to hold assets to collect contractual cashflow; and
- the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both the following conditions and is not designated as at fair value through profit or loss:
- the asset is held within a business model whose objective is achieved by both collecting contractual cashflow and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of pricipal and interest on principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income.This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at fair value through profit or loss.

In addition,on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or signicantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular,whether management's strategy focuses on earning contractual interest revenue,maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cashflows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model(and the financial assets held within that business model) and how those risks are
- how managers of the business are compensated -eg. Whether compensation is based on the fair value of the asset managed or the contractual
- the frequency,volume and timing of sales in prior periods,the reasons for such sales and its expectations about future sales activity.However,information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cashflows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss because they are neither held to collect contractual cash flows nor held both to collect contractual cashflows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment,'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consuderation for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs(e.g.liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cashflows are solely payments of principal and interest,the Group considers the contractual terms of the instrument.This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cashflows such that it would not meet this condition. In making the assessment,the Group considers:

- contingent events that would change the amount and timing of cashflows;
- leverage features
- prepayment and extension terms
- terms that limit the Group's claim to cashflows from specified assets (e.g non-recourse asset arrangements);and
- features that modify consideration of the time value of money-eg.periodical reset of interest rates

The Group holds a portfolio of long-term fixed rate loans for which the Group has options to propose to revise the interest rate at periodic reset dates.These reset rights are limited to the market rate at the time of revision. the borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cashflows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that is consideration for the time value of money,credit risk,other basic lending risks and costs associated with the pricipal amount outstanding.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition,except in the period after the Group changes its business model for managing financial assets
Prior to 1 January 2018, the Group classified its financial assets into one of the following categories:

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

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

Financial liabilities

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

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual right to the cash flow from the Financial assets expire or it transfers the right to receive the contractual cash flow in a transaction in which the substantially all the risks and rewards of the ownership of the financial asset are transferred or in which the Group nether transfers nor retains substantially all the risks and the rewards of the ownership and it does not retain control of the financial asset.
On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) 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 OCI is recognised in profit or loss.

From 1 January 2018 any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at fair value through other comprehensive income is not recognised in the profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability

The Group enter into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risk and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

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When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transaction in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of the 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.

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group securitises various loans and advances to customers and investment securities, which generally result in the sale of these to unconsolidated securitisation vehicles and in the Group transferring substantially all the risks and rewards of ownership. The securitisation vehicle in turn issue securities to investors. Interest in the securitised financial assets are generally retained in the form of senior or subordinated tranches, interest-only strips or other residual interests (retained interests). Retained interests are recognised as investment securities and carried at fair value through other comprehensive income. Gains or losses on securitisation are recorded in other revenue.

Before 1 January 2018, retained interests were primarily classified as available -for-sale investment securities and measured at fair value.

Financial liabilities

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

(iv) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified assets are substantially different. If the cash flows are substantially different, then the contractual right to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

Policy applicable from 1 January 2018, if the cash flow of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and derecognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Before 1 January 2018, if the terms of a financial assets were modified because of financial difficulties of the borrower and the asset was not derecognised, then impairment of the asset was measured using the pre-modification interest rate.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flow of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

(v) Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRS, or gains and losses arising from a group of similar transactions

(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 one is available, the Group measure 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 the market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e, the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market

If an asset or a liability measured at fair value has a bid price and ask price, then the Group measures assets and long positions at a bid price and

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 the particular risk exposure. Portfolio-level adjustments-e.g bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure- 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.

The fair value of a financial liability with a demand feature (e.g. 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

(vii) Impairment

Effective from 1 January 2018, the Group recognises loss allowances for ECL on the following financial insruments that are not measured at fair

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following for which they are measured as 12-month ECL;

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

Loss allowances for lease receivable are always measured at an amount equal to lifetime ECL.

The Group considers a financial asset to have a low credit risk when their credit risk rating is equivalent to the globally understood definition of

12-months ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

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

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- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows:
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is down and the cash flows that the Group expects to receive; and

Restructured financial assets

If the terms of a financial assets renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cashflows arising from the modified financial asset are included in calculating the cash shortfalls from the existing assets.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the asset is treated as final cash flow from the existing financial asset at the time of its derecognition. The amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing

Credit-Impaired financial assets

At each reporting date, the Group assesses whether financial assets at amortized cost and debt instruments carried at fair value through other comprehensive income are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on he estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherswise;
- it is becoming probable that the borrower will enter bankcruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioriation in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessment of creditworthiness.
- The countries ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanism in place to provide the necessary support as 'lender of last resort' to the country,as well as the intention, reflected in the public statement of governments and agencies to use those mechanisms.This includes an assessment of the depth of those

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:
- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

- debt instruments measured at fair value through other comprehensive income: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial asstes that are written off could still be subject to enforcement activities in order to comply with the

Before 1 January 2018, at each reporting date, the Group assessed whether there was objective evidence that financial assets not carried at fair value through profit or loss were impaired. A financial asset or a group of financial assets was 'impaired' when objective evidence demonstrated that a loss event had occurred after the initial recognition of the asset(s) and that the loss event had an impact on the futue cash flows of the asset(s) that could be estimated reliably.
In addition, a retail loan that was overdue for 90 days or more was considered impaired.
Objective evidence that financial assets were impaired included;
- Significant financial difficulty of a borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- indications that a borrower or issuer would enter bankruptcy;
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlated with defaults in the group.

Individual or collective assessment

An individual measurement of impairment was based on management's best estimate of the present value of the cash flows that were expected to be received. In estimating these cash flows, management made judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset was assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable were independently approved by the Credit Risk function.

The collective allowance for groups of homogeneous loans was established using statistical methods such as roll rate methodology or, for small portfolios with insufficient information, a formula approach based on historical loss rate experience. The roll rate methodology used statistical analysis of historical data on delinquency to estimate the amount of loss. Management applied judgement to ensure that the estimate of loss arrived at on the basis of historical information was appropriately adjusted to reflect the economic conditions and product mix at the reporting date. Roll rates and loss rates were regularly benchmarked against actual loss experience.

The IBNR allowance covered credit losses inherent in portfolios of loans and advances, and held-to-maturity investment securities with similar credit risk characteristics when there was objective evidence to suggest that they contained impaired items but the individual impaired items could not yet be identified.

In assessing the need for collective loss allowance, management considered factors such as credit quality, portfolio size, concentrations and economic factors. To estimate the required allowance, assumptions were made to define how inherent losses were modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowance depend on the model assumptions and parameters used in determining the collective allowance.
Loans that were subject to a collective IBNR provision were not considered impaired.

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Measurement of impairement

Impairment losses on assets measured at amortised cost were calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted as the asset's original effective interest rate. Impairement losses on available-for-sale assets were calculated as the difference between the carrying amount and the fair value.

Reversal of impairement

- For assets measured at amortised cost: If an event occuring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss was reversed through profit or loss.

- For debt security at fair value through other comprehensive income: If, in a subsequent period, the fair value of an impaired debt security increased and the increase could be related objectively to an event occuring after the impairement loss was recognised, then the impairment loss was reversed through profit or loss; otherwise, any increase in fair value was recognised through OCI.

Any subsequent recovery in the fair value of an impaired equity security at fair value through other comprehensive income is recognised in OCI.

Impairment losses were recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continued to be recognised through the unwinding of the discount.

Impairment losses on investment securities at fair value through other comprehensive income are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cummulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment attributable to the application of the effective interest method werd reflected as a component of

Write-off

The Group wrote off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when Group Credit determined that there was no realistic prospect of recovery.

(viii) Designation at fair value through profit or loss

Financial assets

At initial recognition, the Group has designated certain financial assets as at fair value through profit or loss because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Before 1 January 2018, the Group also designated certain financial assets as at fair value through profit or loss because the assets were managed,

Financial liabilities

The Group has designated certain financial liabilities as at fair value through profit or loss in either of the following circumstances:
- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(l) (i) Cash and cash equivalents

Cash and cash equivalents include bank notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position. For

(ii) Restricted reserve deposits

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 Group's and Banking Subsidiary's deposit liabilities.

(m) 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 or position taking.

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.

(n) Assets pledged as collateral

Financial assets transferred to external parties that do not qualify for de-recognition (see k(iii)) are reclassified in the statement of financial position from investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Assets pledged as collateral are initially recognised at fair value, and are subsequently measured at amortised cost or fair value as appropriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

(o) Loan and advances

Effective from 1 January 2018, loan and advances' captions in the statement of financial position include:
- loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transsaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at fair value through profit or loss or designated as at fair value through profit or loss; these are measured at fair value with changes recognised immediately in profit or loss; and
- finance lease receivables.

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 stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

Prior to 1 January 2018, 'loans and advances' were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Loans and advances to customers included:
- those classified as loans and receivables;
- those designated as at fair value through profit or loss; and
- finance lease receivable.

Loans and advances were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using effective interest method. When the Group chose to designate the loans and advances as measured at fair value through profit or loss, they were measured at fair value with face value changes recognised immediately in profit or loss.

Loans and advances also included finance lease receivables in which the Group was the lessor.
When the Group purchased a financial asset and simultaneously entered into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement was accounted for as a loan or advance, and the underlying asset was not recognised in the Group's financial statements

(p) Investment securities

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Effectively from 1 January 2018, 'investment securities' caption in the statement of financial position includes:
- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at fair value through profit or loss or designated at fair value through profit or loss; these are at fair value with changes recognised immediately in profit or loss;
- debt securities measured at fair value through other comprehensive income; and
- equity investment securities designated at fair value through other comprehensive income.

For debt securities measured at fair value through other comprehensive income, gains and losses are recognised in OCI, except for the following, which are recognised in profit and loss in the same manner as for financial assets measured at amortised cost:
- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised
The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in the profit and loss. Dividends are recognised in profit and loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Prior to 1 January 2018, investment securities were initially measured at fair value plus, in the 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-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 as at fair value through profit or loss or as available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method,less any impairment losses. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale and would 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:
- 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
- sales or reclassification after the Group has collected substantially all of the asset's original principal; and
- sales or reclassifications that are 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 as at fair value,with fair value changes recognised immediately in profit or loss as described.

(iii) Available-for-sale

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

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

Other fair value changes, other than impairment losses are recognised in OCI and presented in the fair value reserve within equity. When the investment is sold,the gain or loss accumulated in equity is reclassified to profit or loss.

A non-derivative financial asset may be reclassified from the available-for-sale category to the loans and receivables category if it would otherwise 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Items of work in progress are recognised at cost less any observable impairment. A review for impairment is carried out when circumstances or situations suggests that the asset carrying amount may not be recoverable. Impairment loss is recognized when the current asset value is less than the cost.

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

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each reporting date. 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 profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Leasehold improvement	Over the shorter of the useful life of the item or lease term
Buildings	50 years
Computer equipment	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. When an item of work in progress is completed and is available for use, the asset is de-classified to the relevant class of the asset under property and equipment.

(iv) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in 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 to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Subsequent measurement

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

(ii) Software

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

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

Amortisation is recognised in 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 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 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, onlending facilities and borrowings

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(x) Financial guarantees and loan commitments

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

Financial guarantees issued 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.Subsequently, they are measured as follows

- from 1 January 2018: at the higher of this amortised amount and the amount of loss allowance(seej(vii));and
- before 1 January 2018 at the higher of this amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

The Group has issued no loan commitment that are measured at fair value through profit or loss.
For other commitments:

- from 1 January 2018: the Group recognises loss allowance(seeJ(vii)
- before 1 January 2018: the Group recognises a provision in accordance with IAS 37 if the contract was considered to be onerous.

Liabilities arising from financial guarantees and loan commitments are included within provisions

(y) Employee benefits

(i) Defined contribution plans

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

(ii) Termination benefits

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

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(z) Share capital and reserves

(i) Share issue costs

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

(ii) Dividend on the Group's ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of Nigeria.

Where the Company or other members of the Group purchase the Group's shares, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(aa) Earnings per share

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

(ab) Segment reporting

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

(ac) New standards, interpretations and amendments to existing standards that are not yet effective

(i) IFRS 16, Leases

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

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

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

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

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

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

Transition

The Group currently plans to apply IFRS 16 initially on 1 January 2019
As a lessee, the Group can either apply the standard using a:

- full retrospective approach; or
- modified retrospective approach with optional practical expedients.

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

The adoption of the new standard will have no material impact on financial statements of the Group and Company respectively. The above assessment is preliminary because not all transition work has been finalized. The quantitative effect will depend on, inter alia, the transition method chosen, the extent to which the Group uses the practical expedients and recognition exemptions, and any additional leases that the Group enters into. The Group expects to disclose its transition approach and quantitative information before adoption.

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

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

The amendments clarifies that the transaction date is the date on which the Group initially recognises the prepayment or deferred income arising from the advance consideration. .

For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The interpretation applies when the Group:

• pays or receives consideration in a foreign currency; and
• recognises a non-monetary asset or liability – e.g. non-refundable advance consideration – before recognising the related item.

The Group will adopt the amendments for the year ending 31 December 2018.

(iii) IFRIC 23: Uncertainty over income tax treatments

These amendments provide clarity on the accounting for income tax treatments that have yet to be accepted by the tax authorities.

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

The Group will adopt the amendments for the year ending 31 December 2019

Notes to the consolidated and separate financial statements

In thousands of Naira		GROUP 30 September 2018	GROUP 30 September 2017	COMPANY 9 months ended 30 September 2018	COMPANY 30 September 2017
8	**Interest and discount income**				
	Cash and cash equivalents	**1,428,497**	460,250	**12,230**	326,201
	Loans and advances to customers	**72,675,912**	78,220,226	**-**	-
	Investment securities at amortised cost	**9,094,416**	11,480,584	**324,389**	321,795
	Investment securities at FVOCI (2017: available for sale)	**12,218,332**	6,115,509	**-**	-
		95,417,157	96,276,569	**336,619**	647,996
9	**Interest expense**				
	Deposits from banks	**196,031**	3,427,013	**-**	-
	Deposits from customers	**28,943,014**	28,441,942	**-**	
		29,139,045	31,868,955	**-**	-
	Borrowings	**6,361,500**	6,288,767	**-**	-
	Debt securities issued	**6,365,048**	6,213,727	**-**	-
	Onlending facitilies	**316,369**	2,003,300	**-**	-
		42,181,962	46,374,749	**-**	-
10	**Net impairment loss on financial assets**				
	Loan and advances (see note 24(c))	**11,570,518**	15,076,542	**-**	-
	Other assets (see note 31(c))	**5,118,426**	366,370	**-**	-
	Investment securities - amortised cost (see note 25(b))	**1,538,830**	9,095	**-**	-
	Investment securities - fair value other comprehensive income	**751**	-	**-**	-
	Off balance sheet and undrawn commitments impairment	**(3,242)**	-	**-**	-
	Placements (see note 21(b))	**1,319**	-	**-**	-
	Recoveries on loans previously written off	**(3,599,748)**	(2,798,709)	**-**	
		14,626,854	12,653,298	**-**	-

In thousands of Naira		GROUP 30 September 2018	GROUP 30 September 2017	COMPANY 9 months ended 30 September 2018	COMPANY 30 September 2017
11	**Net fee and commission income**				
	Credit related fees	**331,323**	239,401	**-**	-
	Account Maintenance	**2,415,718**	2,727,601	**-**	-
	Letters of credit commission	**654,845**	762,647	**-**	-
	Asset Management Fees	**2,226,908**	-	**-**	-
	Admininstration Fees	**109,870**	-	**-**	-
	Commission on off-balance sheet transactions	**368,012**	320,671	**-**	-
	Electronics fees and commissions	**6,013,517**	4,900,639	**-**	-
	Service fees and commissions	**7,768,332**	6,598,365	**-**	-
	Gross Fee and commission income	**19,888,525**	15,549,324	**-**	-
	Electronics fees and commissions recoverable expenses	**(3,726,697)**	(3,387,772)	**-**	-
	Cheque books recoverable expenses	**(24,472)**	(37,313)	**-**	-
	Other banks charges	**(677,614)**	(386,399)	**(6)**	(8)
	Fee and commission expense	**(4,428,783)**	(3,811,484)	**(6)**	(8)
	Net fee and commission income	**15,459,742**	11,737,840	**(6)**	(8)

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

12	**Net trading income**				
	Foreign exchange trading income	**1,941,738**	368,177	**147,064**	-
	Bonds trading income	**1,053,170**	99,952	**-**	-
	Treasury bills trading income	**1,579,872**	1,228,400	**-**	-
	Options & Equities trading income	**6,562**	29,245.00	**-**	-
		4,581,342	1,725,774	**147,064**	-
13	**Net income from financial instruments measured at fair value through profit or loss**				
	Net income arising on:				
	Fair value gain on derivative financial instruments held for risk management	**-**	103,383	**-**	
		-	103,383	**-**	-
14	**Other income**				
	Dividends on equity investment securities in the subsidiaries (see note (a) below)	**-**	-	**120,129**	106,492
	Dividends on unquoted equity securities (see note (b) below)	**481,025**	538,927	**-**	121,925
	Foreign exchange gains (see note (c) below)	**10,389,737**	1,031,915	**257,508**	6,631
	Gain on disposal of investment securities (see note (d) below)	**1,082,760**	-	**1,082,760**	-
	Gain /(loss) on sale of property and equipment	**14,833**	1,055,808	**46**	46
	Other income (see note (e) below)	**1,019,381**	2,534,400	**88,161**	37,923
		12,987,736	5,161,050	**1,548,604**	273,017

(a) This amount N120.13m (2017: N106.49m) represents dividend income received from CSL Trustees Limited, a subsidary of the Group, which has been eliminated at the Group.

(b) Dividend income from unquoted equity investments represent dividend received from unquoted equity instruments held for strategic purposes and for which the Group has elected to present the fair value gain and loss in other comprehensive income.

(c) Foreign currency revaluation gain represent gains realised from the revaluation of foreign currency-denominated assets and liabilities held in the non-trading books.

(d) This amount of N1.08billion (2017: Nil) represents gain on disposal of investment in Private Equity fund

(e) Other income comprises:				
Rental income	**1,019,381**	904,603	**-**	-
Other recoveries	**-**	1,629,797	**47,531**	4,097
Shared services income	**-**	-	**40,630**	33,826
	1,019,381	2,534,400	**88,161**	37,923

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 9 months ended 30 September 2018	GROUP 9 months ended 30 September 2017	COMPANY 9 months ended 30 September 2018	COMPANY 9 months ended 30 September 2017
15 Personel expenses				
Wages and salaries	**15,005,937**	13,733,208	**179,374**	140,146
Contributions to defined contribution plans (see note 37)	**463,425**	386,204	**6,402**	4,579
Non-payroll staff cost (see note (a) below)	**2,642,315**	2,344,597	**59,979**	5,749
	18,111,677	16,464,009	**245,755**	150,474

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

In thousands of Naira	GROUP 9 months ended 30 September 2018	GROUP 9 months ended 30 September 2017	COMPANY 9 months ended 30 September 2018	COMPANY 9 months ended 30 September 2017
16 Depreciation and amortisation				
Amortisation of intangibles (see note 29)	**970,147**	837,716	**-**	722
Depreciation of property and equipment (see note 28)	**3,162,617**	3,073,494	**15,720**	15,884
	4,132,764	3,911,210	**15,720**	16,606

In thousands of Naira	GROUP 30 September 2018	GROUP 30 September 2017	COMPANY 9 months ended 30 September 2018	COMPANY 30 September 2017
17 General and administrative expenses				
Communication, stationery and postage	**1,290,253**	1,273,837	**8,358**	8,106
Business travel expenses	**1,006,355**	674,253	**6,897**	11,267
Advert, promotion and corporate gifts	**2,698,982**	1,617,732	**2,585**	2,541
Business premises and equipment costs	**3,603,876**	3,267,986	**17,808**	16,637
Directors' emoluments and expenses	**782,063**	660,980	**215,022**	194,385
IT expenses	**3,682,886**	2,788,443	**5,889**	5,593
Contract Services and training expenses	**4,067,132**	3,826,693	**470**	2,314
Vehicles maintenance expenses	**1,134,329**	1,093,884	**2,043**	1,886
Security expenses	**1,621,100**	1,590,405	**-**	-
Auditors' remuneration	**160,398**	241,050	**28,961**	26,250
Professional charges	**1,810,576**	2,042,804	**134,412**	56,084
	21,857,950	19,078,067	**422,445**	325,063

In thousands of Naira	GROUP 9 months ended 30 September 2018	GROUP 9 months ended 30 September 2017	COMPANY 9 months ended 30 September 2018	COMPANY 9 months ended 30 September 2017
18 Other operating expenses				
NDIC Insurance Premium	**2,342,348**	2,425,596	**-**	-
AMCON Levy	**6,472,256**	5,655,757	**-**	-
Insurance expenses	**376,209**	341,934	**4,573**	3,043
Others (see note (a) below)	**3,576,648**	1,426,974	**149,878**	174,518
	12,767,461	9,850,261	**154,451**	177,561
(a) Others comprises:				
AGM, meetings and shareholders expenses	**252,350**	256,555	**126,928**	139,930
Donation and sponsorship expenses	**303,454**	328,032	**1,667**	-
Entertainment expenses	**258,152**	193,801	**4,402**	4,418
Fraud and forgery expense	**29,747**	7,094	**-**	-
Rental expenses	**268,560**	104,048	**12,218**	6,611
Other accounts written off	**113,403**	87,229	**-**	61
Provision for litigation	**2,057,357**	166,157	**-**	-
Industrial training fund levy	**130,765**	137,126	**2,281**	1,749
Nigeria Social Insurance Trust Fund expenses	**130,968**	119,226	**2,281**	1,749
Penalties	**31,892**	27,705	**100**	20,000
	3,576,648	1,426,974	**149,878**	174,518

In thousands of Naira	GROUP 9 months ended 30 September 2018	GROUP 9 months ended 30 September 2017	COMPANY 9 months ended 30 September 2018	COMPANY 9 months ended 30 September 2017
19 Earnings per share				
Basic and diluted earnings per share				
Profit attributable to equity holders	**11,341,358**	5,468,945	**1,193,910**	251,301
Weighted average number of ordinary shares in issue	**19,802,710**	19,802,710	**19,802,710**	19,802,710
	0.57	0.28	**0.06**	0.01
20 Tax expense				
(i) **Current tax expense:**				
Minimum tax (see note (iv))	**2,066,749**	675,000	**-**	-
Corporate income tax (see note (iv))	**1,359,202**	697,483	**-**	-
	3,425,951	1,372,483	**-**	-
Income tax credit /(expense)	**1,359,202**	697,483	**-**	-
Total tax expense	**3,425,951**	1,372,483	**-**	-

(ii) **Reconciliation of effective tax rate**

2018	GROUP %	GROUP	COMPANY %	COMPANY
Profit before tax		**14,767,309**		**1,193,910**
Income tax using the domestic corporation tax rate	**30.0%**	**4,430,193**	**30.0%**	**358,173**
Non-deductible expenses	**20.0%**	**2,959,565**	**0.0%**	**-**
Tax exempt income	**(80.2%)**	**(11,848,525)**	**(30.0%)**	**(358,173)**
Minimum tax	**14.0%**	**2,066,749**	**0.0%**	**-**
Unrecognised tax losses	**39.4%**	**5,817,969**	**0.0%**	**-**
Total tax expense	**23.2%**	**3,425,951**	**0.0%**	**-**

2017	GROUP %	GROUP	COMPANY %	COMPANY
Profit before tax		6,673,022		251,301
Income tax using the domestic corporation tax rate	30.0%	2,001,907	30.0%	75,390
Non-deductible expenses	215.8%	14,398,317	0.0%	-
Tax exempt income	(188.8%)	(12,601,325)	(30.0%)	(75,390)
Minimum tax	10.1%	675,000	0.0%	-
Unrecognised tax losses	(46.5%)	(3,101,416)	0.0%	-
Total tax expense	20.5%	1,372,483	(0.1%)	-

(iii) The Banking Subsidiary was assessed based on the minimum tax legislation for the period ended 30 September 2018 because of a tax exemption granted via Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 as contained in a gazette issued by the President of the Federal Republic of Nigeria, which took effect from 2 January 2012.

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

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

Excess dividend tax in line with Section 15A of Companies Income Tax Act stipulates that where a company pays dividend in a year where no tax is payable due to no total profit or total profit that is less than the amount of dividend paid, whether or not the recipient of the dividend is a Nigeria company, the company paying the dividend shall be charged to a tax at the rate of 30% of the amount of dividend paid as if that is the total profit of the company. During the period ended 30 September 2018, the Banking subsidiary was not liable to excess dividend tax (31 December 2017: Nil).

The Company utilized the services of the following tax consultants during the period under review:

NAME OF PROFESSIONAL	FRC_NUMBER
Pedabo Associates Ltd.	FRC/2013/ICAN/00000000908

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
(iv) **Current income tax liability**				
Beginning of the period	**3,860,163**	2,859,562	**59,915**	44,582
Tax paid	**(1,348,867)**	(367,896)	**(4,760)**	-
Tax refund (see note (a) below)	**(52,552)**	(968,119)	**-**	-
Minimum tax	**2,066,749**	996,366	**-**	-
Capital gain tax	**-**	89,519	**-**	-
National Information Technology Development Agency (NITDA) levy	**-**	131,229	**-**	10,573
Tertiary education tax	**-**	107,402	**-**	4,760
Income tax expense	**1,359,202**	1,012,100	**-**	
	5,884,695	3,860,163	**55,155**	59,915
Current	**5,884,695**	3,860,163	**55,155**	59,915
Non-current	**-**	-	**-**	-
	5,884,695	3,860,163	**55,155**	59,915.00

(a) Amount represents withholding tax credit notes utilized during the period. Withholding tax is an advance payment of company income tax (CIT) deducted at source used to net off the tax liability for the period.

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
21 Cash and cash equivalents				
Cash	**72,135,663**	27,454,048	**-**	-
Current balances within Nigeria	**3,026,777**	1,860,535	**3,167**	146,366
Current balances outside Nigeria	**37,747,816**	43,934,323	**-**	-
Placements with local banks (see note (a))	**10,723,934**	10,617,721	**248,178**	-
Placements with foreign banks (see note (a))	**2,857,062**	9,319,904	**-**	-
Unrestricted balances with Central banks	**28,357,606**	10,701,476	**-**	-
	154,848,858	103,888,007	**251,345**	146,366
Current	**154,848,858**	103,888,007	**251,345**	146,366
Non-current	**-**	-	**-**	-
	154,848,858	103,888,007	**251,345**	146,366
(a) Placements with local banks and foreign banks analysed				
Balances with less than three months maturity from the date of acquisition	**12,797,094**	19,937,625	**248,178**	-
Balances with more than three months maturity from the date of acquisition	**795,262**	-	**-**	-
	13,592,356	19,937,625	**248,178**	-
Less impairment loss allowance	**(11,360)**	-	**-**	-
	13,580,996	19,937,625	**248,178**	
(b) Balance at 1 January	**-**	-	**-**	-
Transfer to 12-month ECL	**10,041**	-	**-**	-
impairment charge	**1,319**	-	**-**	-
Closing balance	**11,360**	-	**-**	-

(c) 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.

(d) Balances with banks outside Nigeria include N24.82billion (31 December 2017: N16.78billion) which represents the naira value of foreign currency amounts held by the Bank on behalf of customers in respect of letters of credit transactions. The corresponding liability is included in other liabilities (see Note 39).

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
22 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks (see note (a))	**108,971,026**	109,638,559	**-**	-
Special Cash Reserve Requirement (see note (b))	**25,110,464**	-	**-**	-
	134,081,490	109,638,559	**-**	-
Current	**-**	-	**-**	-
Non-current	**134,081,490**	109,638,559	**-**	-
	134,081,490	109,638,559	**-**	-

(a) Restricted mandatory reserve deposits are not available for use in the Bank and Group's day-to-day operations. Mandatory reserve deposits are non interest-bearing and are computed as a fixed percentage of the Bank's qualifying deposit liabilities. For the purposes of the Statement of cashflow, these balances are excluded from cash and cash equivalents.

(b) Special Cash Reserve Requirement represents a 5% special intervention reserve held with the Central Bank of Nigeria as a regulatory requirement.

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
23				
(a) Trading assets				
Financial assets Fair value through profit or loss:				
Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	**-**	2,020,117	**-**	-
Treasury Bills - fair value through profit or loss (FVTPL)	**41,040,503**	21,888,330	**-**	-
Equity securities	**45,552**	27,584	**-**	-
	41,086,055	23,936,031	**-**	-
Current	**41,086,055**	23,936,031	**-**	
Non-current	**-**	-	**-**	
	41,086,055	23,936,031	**-**	-
(b) Trading liabilities				
Short sold positions - Federal Government of Nigeria Bonds - fair value through profit or loss (FVTPL)	**7,633,609**	3,303,109	**-**	-
Short sold positions - Treasury bills - fair value through profit or loss (FVTPL)	**20,037,132**	18,313,551	**-**	-
	27,670,741	21,616,660	**-**	-
Current	**27,670,741**	21,616,660	**-**	
Non-current	**-**	-	**-**	-
	27,670,741	21,616,660	**-**	-

Notes to the consolidated and separate financial statements

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
24 Loans and advances to customers				
(a) Overdrafts	33,926,671	40,791,972	-	-
Term loans	568,535,612	589,991,932	-	-
On-lending facilities	32,594,157	25,645,164	-	-
Advances under finance lease	14,525,519	18,672,757	-	-
Gross loans and advances to customers	649,581,959	675,101,825	-	-
Less impairment loss allowance	(47,730,154)	(25,305,099)	-	
Net loans and advances to customers	601,851,805	649,796,726	-	-
Current	132,825,002	158,344,868	-	-
Non-current	469,026,803	491,451,858	-	-
	601,851,805	649,796,726	-	-

Group	30 SEP 2018 Gross amount	30 SEP 2018 ECL allowance	30 SEP 2018 Carrying Amount	31 DEC 2017 Gross amount	31 DEC 2017 Impairment allowance	31 DEC 2017 Carrying Amount
Retail customers:						
Mortgage lending	2,446,497	(132,193)	2,314,304	2,446,497	(63,370)	2,383,127
Personal loans	106,240,685	(6,879,012)	99,361,673	88,837,096	(1,886,261)	86,950,835
Credit cards	3,736,278	(319,745)	3,416,533	3,736,278	(86,613)	3,649,665
Corporate customers:						
Finance leases	14,525,519	(804,371)	13,721,148	18,672,757	(394,858)	18,277,899
Other secured lending	522,632,980	(39,594,833)	483,038,147	561,409,197	(22,873,997)	538,535,200
	649,581,959	(47,730,154)	601,851,805	675,101,825	(25,305,099)	649,796,726

Company	30 SEP 2018 Gross amount	30 SEP 2018 ECL allowance	30 SEP 2018 Carrying Amount	31 DEC 2017 Gross amount	31 DEC 2017 Impairment allowance	31 DEC 2017 Carrying Amount
Retail customers:						
Mortgage lending	-	-	-	-	-	-
Personal loans	-	-	-	-	-	-
Credit cards	-	-	-	-	-	-
Corporate customers:						
Finance leases	-	-	-	-	-	-
Other secured lending	-	-	-	-	-	-
	-	-	-	-	-	-

In thousands of Naira	GROUP 30 SEP 2018	GROUP	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
(b) Finance lease				
Loan and advances to customer at amortised cost include the following finance lease:				
Gross investment:				
Less than one year	11,389,663	6,021,839	-	-
Between one and five years	6,128,744	17,477,878	-	-
More than five years	4,431,045	3,377,909	-	-
	21,949,452	26,877,626	-	-
Unearned finance income	(7,423,933)	(8,204,869)	-	-
Net investment in finance leases	14,525,519	18,672,757	-	-
Less impairment allowance	(804,371)	(394,858)	-	-
	13,721,148	18,277,899	-	-
Net investment in finance leases				
Net investment in finance leases, receivables:				
Less than one year	7,142,366	4,919,672	-	-
Between one and five years	5,296,741	11,825,294	-	-
More than five years	2,086,412	1,927,791	-	-
	14,525,519	18,672,757	-	-

(c) Loans and advances to customers at amortised cost

GROUP	30 SEPTEMBER 2018 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	31 DECEMBER 2017 Specific impairment	Collective impairment	Total
Balance at 1 January	-	-	-	-	6,524,600	14,021,224	20,545,824
Transfer to 12-month ECL	22,519,754	-	-	22,519,754	-	-	-
Transfer to lifetime ECL not credit impaired	-	263,164	-	263,164	-	-	-
Transfer to lifetime ECL credit impaired	-	-	26,819,691	26,819,691	-	-	-
Net remeasurement of loss allowances (see note 10)	(5,746,786)	2,443,601	14,873,703	11,570,518	24,048,983	1,355,446	25,404,429
Financial assets that have been derecognised write-off	-	-	(13,444,005)	(13,444,005)	(15,270,557)	(5,375,523)	(20,646,080)
Closing balance	16,772,968	2,706,765	28,249,389	47,730,154	15,303,026	10,001,147	25,304,173

COMPANY	30 SEPTEMBER 2018 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	31 DECEMBER 2017 Specific impairment	Collective impairment	Total
Balance at 1 January	-	-	-	-	-	-	-
Transfer to 12-month ECL	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-	-	-	-
Net remeasurement of loss allowances (see note 10)	-	-	-	-	-	-	-
Financial assets that have been derecognised write-off	-	-	-	-	-	-	-
Recoveries of amounts previously written-off	-	-	-	-	-	-	-
Changes in model/risk parameters	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-

		GROUP		COMPANY	
		30 SEP 2018	31 DEC 2017	30 SEP 2018	31 DEC 2017
25	**Investment securities**				
	Investment securities at amortised cost (see note (a))	**92,896,210**	-	**2,959,855**	-
	Investment securities at FVOCI - debt instruments (see note (b) below)	**99,283,697**	-	**1,026,123**	-
	Investment securities at FVOCI - quoted equity investments (see note (c) below)	**537,517**	-	**-**	-
	Investment securities at FVOCI - unquoted equity investments (see note (d) below)	**10,582,227**	-	**117,970**	-
	Held-to-maturity (see note (a) below)	**-**	70,913,205	**-**	2,647,592
	Available-for-sale (see note (b) below)	**-**	82,515,454	**-**	2,461,548
		203,299,651	153,428,659	**4,103,948**	5,109,140
	Current	**139,164,538**	91,326,490	**-**	-
	Non-current	**64,135,113**	62,102,169	**4,103,948**	5,109,140
		203,299,651	153,428,659	**4,103,948**	5,109,140
(a)	**Investment securities at amortised cost**				
	Federal Government of Nigeria (FGN) Bonds - listed	**84,900,840**	-	**-**	-
	State Government Bonds - unlisted	**7,149,143**	-	**-**	-
	Corporate bonds - unlisted	**2,563,512**	-	**2,959,855**	-
	Held-to-maturity investment securities				
	Federal Government of Nigeria (FGN) Bonds - listed	**-**	57,501,141	**-**	-
	State Government Bonds - unlisted	**-**	8,771,927	**-**	-
	Treasury Bills	**-**	1,557,658	**-**	-
	Corporate bonds - unlisted		3,082,479		2,647,592
		94,613,495	70,913,205	**2,959,855**	2,647,592
	Less impairment allowance	**(1,717,285)**	-	**-**	-
		92,896,210	70,913,205	**2,959,855**	2,647,592
(b)	**Impairment allowance**				
	Balance at 1 January	**-**	-	**-**	-
	Transfer to 12-month ECL	**178,456**	-	**-**	-
	Impairment charge	**1,538,829**	-	**-**	-
	Closing balance	**1,717,285**	-	**-**	-
(c)	**Investment securities at FVOCI**				
	Federal Government of Nigeria (FGN) Bonds - listed	**3,199,593**	-	**-**	-
	Federal Government of Nigeria (FGN) Sukuk Bonds	**-**	-	**-**	-
	Treasury bills - listed	**95,057,981**	-	**-**	-
	Unclaimed dividend investment fund	**1,026,123**	-	**1,026,123**	-
	Available-for-sale investment securities				
	Federal Government of Nigeria (FGN) Bonds - listed	**-**	5,017,650	**-**	-
	Federal Government of Nigeria (FGN) Sukuk Bonds	**-**	2,094,185	**-**	-
	Treasury bills - listed	**-**	69,102,166	**-**	-
	Equity securities measured at fair value (see note (c) below) - listed / unlisted	**-**	901,232	**-**	-
	Unquoted equity securities measured at cost (see note (d)) - unlisted	**-**	4,511,596	**-**	1,572,923
	Unclaimed dividend investment fund	**-**	888,625		888,625
		99,283,697	82,515,454	**1,026,123**	2,461,548
(d)	**Investment securities at FVOCI - quoted equity investments**				
	DAAR Communications Underwriting	**32,804**	-	**-**	-
	Unity Bank Plc	**974**	-	**-**	-
	UTC Nigeria Plc	**11**	-	**-**	-
	Standard Alliance Co Plc	**285,740**	-	**-**	-
	Industrial and General Insurance Plc	**3,812**	-	**-**	-
	Legacy Short Maturity Fund	**41,026**	-	**-**	-
	Legacy Equity Fund	**61,000**	-	**-**	-
	Legacy USD Bond Fund	**112,150**	-	**-**	-
	Equity securities measured at fair value under available-for-sale investments				
	DAAR Communications Underwriting	**-**	37,277	**-**	-
	Unity Bank Plc	**-**	593	**-**	-
	UTC Nigeria Plc	**-**	11	**-**	-
	Central Securities Clearing System	**-**	25,025	**-**	-
	Financial Derivative Ltd	**-**	10,000	**-**	-
	Industrial and General Insurance Plc	**-**	3,267	**-**	-
	Food Concepts Limited	**-**	1,890	**-**	-
	Legacy Short Maturity Fund	**-**	38,819	**-**	-
	Legacy Equity Fund	**-**	70,000	**-**	-
	Standard Alliance Co Plc	**-**	714,350	**-**	-
		537,517	901,232	**-**	-

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
(e) Investment securities at FVOCI - unquoted equity investments				
Credit Reference Company Limited	**72,919**	-	-	-
Nigeria Inter-bank Settlement System Plc	**801,998**	-	-	-
Africa Finance Corporation	**7,907,777**	-	-	-
Private Equity Funds	**117,970**	-	**117,970**	-
Africa Export-Import Bank, Cairo	**1,391,943**	-	-	-
Smartcard Nigeria Plc	**214,932**	-	-	-
FMDQ (OTC) Plc	**32,303**	-	-	-
Financial Derivative Ltd	**10,000**	-	-	-
Food Concepts Limited	**1,860**	-	-	-
Others	**30,525**	-	-	-
Unquoted equity securities at cost under available-for-sale investments				
Credit Reference Company Limited	-	61,111	-	-
Nigeria Inter-bank Settlement System Plc	-	102,970	-	-
Africa Finance Corporation	-	2,558,388	-	-
Private Equity Funds	-	1,572,923	-	1,572,923
Africa Export-Import Bank, Cario	-	144,805	-	-
Smartcard Nigeria Plc	-	22,804	-	-
FMDQ (OTC) Plc	-	30,000	-	-
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	-	18,595	-	-
	10,582,227	4,511,596	**117,970**	1,572,923

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
26 Assets pledged as collateral				
The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:				
(a) Investment Securities - FVOCI				
Treasury Bills - listed	**2,321,252**	-	-	-
Available-for-sale investment securities				
Treasury Bills - listed	-	2,442,100	-	-
	2,321,252	2,442,100	-	-
(b) Investment Securities - Amortized cost				
Federal Government of Nigeria (FGN) Bonds - listed	**68,012,292**	-	-	-
Held-to-maturity investment securities				
Federal Government of Nigeria (FGN) Bonds - listed	-	58,888,057	-	
	68,012,292	58,888,057	-	-
	70,333,544	61,330,157	-	-
Current	**9,248,101**	19,434,482	-	-
Non-current	**61,085,443**	41,895,675	-	-
	70,333,544	61,330,157	-	-

As at the end of the period, the Group held no collateral, which it was permitted to sell or re-pledge in the absence of default by the owner of the collateral (31 December 2017: nil).

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

Counterparties	Reasons for pledged securities	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
Nigeria Inter-bank Settlement Plc (NIBSS)	Cards, POS transactions settlements	**2,334,482**	2,334,482	-	-
Interswitch Nigeria Limited	Cards, POS transactions settlements	**292,382**	292,382	-	-
Federal Inland Revenue Service(FIRS)	Third parties collection transactions	**1,595,700**	1,595,700	-	-
Central Bank of Nigeria (CBN)	Third parties clearing instruments / On-lending facilities to customers	**30,405,280**	30,405,280	-	-
Bank of Industry (BOI)	On-lending facilities to customers	**6,135,160**	6,135,160	-	-
System Specs / Remita	Remita Transfer Transactions	**354,300**	354,300.00	-	-
Standard Bank London	Borrowed funds repo transactions	**29,358,736**	20,212,853	-	-
		70,476,040	61,330,157	-	-

In thousands of Naira

27 Investment in Subsidiaries

(a) Investment in subsidiaries comprises:

First City Monument Bank Limited (see note (i) below)		-	**115,422,326**	115,422,326
FCMB Capital Markets Limited (see note (ii) below)	-	-	**240,000**	240,000
CSL Stockbrokers Limited (CSLS) (see note (iii) below)	-	-	**3,053,777**	3,053,777
CSL Trustees Limited (see note (iv) below)	-	-	**220,000**	220,000
FCMB Microfinance Bank Limited (see note (v) below)	-	-	**150,000**	100,000
Legacy Pensions Managers Limited (see note (vi) below)	-	-	**7,748,392**	7,353,930
	-	-	**126,834,495**	126,390,033
Specific allowances for impairment	-	-	**(795,331)**	(795,331)
Carrying amount	-	-	**126,039,164**	125,594,702
Current	-	-	-	-
Non-current	-	-	**126,039,164**	125,594,702
	-	-	**126,039,164**	125,594,702

	GROUP		COMPANY	
	30 SEP 2018		30 SEP 2018	31 DEC 2017
Specific allowances for impairment				
Balance at 1 January	-	-	795,331	795,331
Charge for the year	-	-	-	-
Balance at period end	-	-	**795,331**	795,331

(b) **Group entities**

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

Company Name	Country of incorporation	Nature of Business	Percentage of equity capital held (Direct holdings)	Financial period end
(1) First City Monument Bank Limited (see Note (i) below)	Nigeria	Banking	100%	31-Dec-2017
(2) FCMB Capital Markets Limited (see Note (ii) below)	Nigeria	Capital Market	100%	31-Dec-2017
(3) CSL Stockbrokers Limited (CSLS) (see Note (iii) below)	Nigeria	Stockbroking	100%	31-Dec-2017
(4) CSL Trustees Limited (see Note (iv) below)	Nigeria	Trusteeship	100%	31-Dec-2017
(5) FCMB Microfinance Bank Limited (see Note (v) below)	Nigeria	Micro-lending	100%	31-Dec-2017
(6) Legacy Pensions Manager Limited (see Note (vi) below)	Nigeria	Pension Fund Administrator	91.64%	31-Dec-2017

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

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

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

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

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

(vi) This represents the Company's 91.64% equity holding in Legacy Pension Managers Limited, a pension fund manager licensed to carry on the business of fund and pension management. The company was incorporated in April 2005 and commenced operations in May 2005. Legacy Pension Managers Limited was a former associate company to the Group by virtue of the Group's initial 28.22% equity holding. However, the Group acquired additional 60% and 3.42% equity holding in November 2017 and August 2018 repectively thereby raising the total equity holding to 91.64%.

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

28 Property and equipment

GROUP

In thousands of Naira	Leasehold land	Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost								
Balance at 1 January 2018	1,711,305	20,670,576	7,405,475	5,071,733	22,865,249	8,875,453	2,404,971	69,004,762
Additions during the period	27	165,611	670,959	566,006	2,280,826	223,818	1,350,963	5,258,210
Reclassifications	999,642	8,279	-	-	28,700	-	(1,036,621)	-
Disposal during the period	-	426,103	(525,384)	(579,624)	(99,281)	(224,642)	(113,110)	(1,115,938)
Balance at reporting date	**2,710,974**	**21,270,569**	**7,551,050**	**5,058,115**	**25,075,494**	**8,874,629**	**2,606,203**	**73,147,034**
Accumulated depreciation								
Balance at 1 January 2018	-	3,264,455	3,836,431	4,000,582	16,061,884	8,439,237	-	35,602,589
Charge for the year (see note 16)	-	318,903	142,051	455,454	2,018,043	228,165	-	3,162,616
Eliminated on Disposal	-	81,632	(152,087)	(589,023)	(99,749)	(225,335)	-	(984,562)
Translation difference	-	-	3,945	-	4,968	50	-	8,963
Balance at reporting date	-	3,664,990	3,830,340	3,867,013	17,985,146	8,442,117	-	37,789,606
Carrying amounts:								
Balance at 30 September 2018	2,710,974	17,605,579	3,720,710	1,191,102	7,090,348	432,512	2,606,203	35,357,428
Balance at 31 December 2017	1,711,305	17,406,121	3,569,044	1,071,151	6,803,365	436,216	2,404,971	33,402,173

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

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

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

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

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

COMPANY

In thousands of Naira	Leasehold land	Buildings	Leasehold improvement	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost								
Balance at 1 January 2018	-	-	5,181	69,448	14,011	3,335	-	91,975
Additions during the period	-	-	-	-	538	1,539	-	2,077
Disposal during the period	-	-	-	-	-	(322)	-	(322)
Balance at reporting date	-	-	5,181	69,448	14,549	4,552	-	93,730
Accumulated depreciation								
Balance at 1 January 2018	-	-	2,195	41,239	7,941	2,578	-	53,953
Charge for the year (see note 16)	-	-	388	13,022	1,835	475	-	15,720
Eliminated on Disposal	-	-	-	-	-	(322)	-	(322)
Balance at reporting date	-	-	2,584	54,261	9,776	2,731	-	69,352
Carrying amounts:								
Balance at 30 September 2018	-	-	2,597	15,187	4,773	1,821	-	24,378
Balance at 31 December 2017	-	-	2,986	28,209	6,070	757	-	38,022

	GROUP		COMPANY	
	30 SEP 2018		30 SEP 2018	31 DEC 2017
Current	-	-	-	-
Non-current	35,357,428	33,402,173	24,378	38,022
	35,357,428	33,402,173	24,378	38,022

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

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

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

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

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

Notes to the consolidated and separate financial statements

	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
29 Intangible assets				
(a) **Software**				
Cost				
Beginning of the period	**8,284,068**	6,940,083	**3,851**	3,851
Additions during the period / year	**845,006**	329,067	**-**	-
Work-in-progress - additions during the period / year	**68,856**	1,091,969	**-**	-
Items written-off	**-**	(110,617)	**-**	-
Transfer from property and equipment (see note 27)	**-**	13,376	**-**	-
Translation difference for the period / year	**25,190**	20,190	**-**	-
Balance at reporting date	**9,223,120**	8,284,068	**3,851**	3,851
Amortisation				
Beginning of the year	**4,702,085**	3,467,292	**3,851**	2,968
Charge for the period / year (see note 16)	**970,147**	1,133,244	**-**	883
Translation difference for the period / year	**(94,018)**	101,549	**-**	-
Balance at reporting date	**5,578,214**	4,702,085	**3,851**	3,851
Carrying amount	**3,644,906**	3,581,983	**-**	-
(b) **Goodwill**				
Beginning of the period / year	**11,338,977**	6,199,739	**-**	-
Acquired during the preceding year	**311,353**	5,139,238	**-**	-
At end of the reporting date	**11,650,330**	11,338,977	**-**	
	15,295,236	14,920,960	**-**	-
Current	**-**	-	**-**	-
Non-current	**15,295,236**	14,920,960	**-**	
	15,295,236	14,920,960	**-**	-

In thousands of Naira

30 Deferred tax assets and liabilities

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

Deferred tax assets and liabilities are attributable to the following:

Group	Assets (30 SEP 2018)	Liabilities (30 SEP 2018)	Net (30 SEP 2018)	Assets (31 DEC 2017)	Liabilities (31 DEC 2017)	Net (31 DEC 2017)
Property and equipment	1,091,642	-	1,091,642	1,091,642	-	1,091,642
Defined benefits	(33,936)	-	(33,936)	(33,936)	-	(33,936)
Allowances for loan losses	2,220,251	-	2,220,251	2,220,251		2,220,251
Unrelieved loss carried forward	4,980,850	(132,066)	4,848,784	4,955,606	(106,821)	4,848,785
Net tax assets/ (liabilities)	8,258,807	(132,066)	8,126,741	8,233,563	(106,821)	8,126,742

Company	Assets (30 SEP 2018)	Liabilities (30 SEP 2018)	Net (30 SEP 2018)	Assets (31 DEC 2017)	Liabilities (31 DEC 2017)	Net (31 DEC 2017)
Property and equipment	-	-	-	-	-	-
Allowances for loan losses	-	-	-	-	-	-
Unrelieved loss carried forward	-	-	-	-	-	-
Net tax assets/ (liabilities)	-	-	-	-	-	-

	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
Deferred tax assets				
Current	**-**	-	**-**	-
Non-current	**8,258,807**	8,233,563	**-**	-
	8,258,807	8,233,563	**-**	-

Notes to the consolidated and separate financial statements

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

	GROUP			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 30 September 2018
Property and equipment	1,091,642	-	-	1,091,642
Defined benefits	(33,936)	-	-	(33,936)
Allowances for loan losses	2,220,251		-	2,220,251
Unrelieved loss carried forward	4,955,606	25,244	-	4,980,850
	8,233,563	25,244	-	8,258,807

	COMPANY			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 30 September 2018
Property and equipment	-	-	-	-
Allowances for loan losses	-	-	-	-
Unrelieved loss carried forward	-	-	-	-
	-	-	-	-

Movements in temporary differences during the year ended 31 December 2017

	GROUP			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 31 December 2017
Property and equipment	1,091,642	-	-	1,091,642
Defined benefits	(33,936)	-	-	(33,936)
Allowances for loan losses	2,327,073	(106,822)	-	2,220,251
Unrelieved loss carried forward	4,521,308	434,298	-	4,955,606
	7,906,087	327,476	-	8,233,563

	COMPANY			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Balance at 31 December 2017
Property and equipment	-	-	-	-
Allowances for loan losses	-	-	-	-
Unrelieved loss carried forward	-	-	-	-
	-	-	-	-

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
31 Other assets				
(a) **Other financial assets:**				
E-settlement receivables	**22,648,531**	16,907,651	**-**	-
Margin call receivables	**-**	3,812,632	**-**	-
Agric SMEIS receivables	**890,922**	552,232	**-**	-
Related parties receivables	**178,448**	1,635,903	**-**	-
Insurance claims and fraud receivables	**1,607,023**	1,519,875	**-**	-
Deposits with the Court (note (d) below)	**9,977,652**	9,149,072	**-**	-
Accounts receivable- corporate and state bonds	**418,371**	2,278,407	**-**	-
Accounts receivable- others	**3,910,731**	2,837,614	**130,630**	744,575
	39,631,678	38,693,386	**130,630**	744,575
Less impairment allowances (note (c) below)	**(17,852,250)**	(16,349,277)	**-**	-
	21,779,428	22,344,109	**130,630**	744,575
(b) **Other non-financial assets:**				
Prepayments	**8,324,673**	4,625,840	**3,607**	4,000
Consumables	**506,905**	634,371	**-**	-
	8,831,578	5,260,211	**3,607**	4,000
	30,611,006	27,604,320	**134,237**	748,575
Current	**15,145,041**	5,910,673	**-**	748,575
Non-current	**15,465,965**	21,693,647	**134,237**	-
	30,611,006	27,604,320	**134,237**	748,575

	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
(c) **Movement in impairment on other financial assets**				
Balance at 1 January	**-**	15,328,849	**-**	-
Transfer to 12-month ECL	**16,280,989**	-	**-**	-
Net remeasurement of loss allowances (see note 10)	**5,118,426**	1,347,895	**-**	-
Financial assets that have been derecognised	**(3,551,042)**	(336,856)	**-**	-
Translation difference	**3,877**	3,757	**-**	-
Closing balance	**17,852,250**	16,343,645	**-**	-

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

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
32 Deposits from banks				
Other deposits from banks	**28,708,283**	6,355,389	**-**	-
Deposits from banks under repurchase agreements	**-**	-	**-**	-
	28,708,283	6,355,389	**-**	-
Current	**28,708,283**	6,355,389	**-**	
Non-current	**-**	-	**-**	-
	28,708,283	6,355,389	**-**	-
Other deposits from banks comprise:				
FSDH Merchant Bank Limited, Nigeria (see note (a) below)	**2,170,302**	1,664,064	**-**	
Other foreign banks	**26,537,981**	4,691,325	**-**	
	28,708,283	6,355,389	**-**	**-**

(a) The amount of N2.17billion (USD6.00million) (December 2017: N1.66) represents overnight interbank takings from FSDH Merchant Bank Limited, Nigeria.
(b) The amount of N26.65billion (December 2017: N4.69billion) represents overnight interbank takings from other foreign banks by the FCMB UK limited.
(c) Deposits from banks only include financial instruments classified as liabilities at amortised cost.

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
33 Deposits from customers				
Retail customers:				
Term deposits	**193,326,203**	186,072,318	-	-
Current deposits	**171,724,151**	159,483,260	-	-
Savings	**174,402,739**	153,582,465	-	-
	539,453,093	499,138,043	-	-
Corporate customers:				
Term deposits	**56,210,281**	48,323,506	-	
Current deposits	**160,227,564**	142,399,091	-	
	216,437,845	190,722,597	-	-
	755,890,938	689,860,640	-	-
Current	**732,211,776**	680,181,478		
Non-current	**23,679,162**	9,679,162	-	
	755,890,938	689,860,640	-	-

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

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
34 Borrowings				
(a) Borrowings comprise:				
Standard Bank, London (See note (b)(i) below)	**11,012,363**		-	-
Standard Bank, London (See note (b)(ii) below)	-	16,696,274	-	-
International Finance Corporation (IFC) (See note (b)(iii) below)	-	557,004	-	-
International Finance Corporation (IFC) (See note (b)(iv) below)	-	1,389,616	-	-
International Finance Corporation (IFC) (See note (b)(v) below)	**6,971,202**	8,332,563	-	-
International Finance Corporation (IFC) (See note (b)(vi) below)	**5,228,158**	6,248,897	-	-
Netherlands Development Finance Company (FMO) (See note (b)(vii) below)	**4,108,545**	4,610,278	-	-
Netherlands Development Finance Company (FMO) (See note (b)(viii) below)	**4,108,545**	4,610,278	-	-
European Investment Bank (EIB) (See note (b)(ix) below)	**12,133,122**	10,907,316	-	-
Citibank, N.A (OPIC) (See note (b)(x) below)	**7,257,976**	11,626,781	-	-
African Export-Import Bank (Afrexim) (See note (b)(xi) below)	**24,205,081**	27,667,720	-	-
Financial Derivatives Company Limited (See note (b)(xii) below)		101,085	-	-
First City Asset Management (FCAM) (See note (b)(xiii) below)	**8,645,041**	5,785,285	-	-
Micheal Ojo (See note (b)(xiv) below)	**808,870**	726,759	-	-
Tayo Oyedeji (See note (b)(xv) below)	**185,369**	-	-	-
BMCE Bank International Plc (See note (b)(xvi) below)	**3,623,251**	-	-	-
Standard Chartered Bank/ Cargill (See note (b)(xvii) below)	**3,690,831**	-	-	-
British Arab Commercial Bank UK (See note (b)(xviii) below)	**3,616,838**	-	-	-
British Commercial Bank (See note (b)(xix) below)	-	3,413,748	-	-
British Commercial Bank (See note (b)(xx) below)	-	3,395,643	-	-
British Commercial Bank (See note (b)(xxi) below)	-	3,365,723	-	-
	95,595,192	109,434,970	-	-
Current	**15,828,330**	29,668,108	-	-
Non-current	**79,766,862**	79,766,862	-	-
	95,595,192	109,434,970	-	-

(b) i) The amount of N11,012,363,000 (31 December 2017: Nil) represents a secured facility granted by Standard Bank, London repayable after a tenor of 1 year, maturing 19 June 2019 with an interest rate of 1 year LIBOR + 3.25%. The facility is secured by Federal Government of Nigeria bonds.

ii) This represents a facility that has been repaid as at 30 september 2018 (31 December 2017: N16,696,274,000 (USD 50,000,000) granted by Standard Bank.

iii) This represents a facility that has been repaid as at 30 september 2018 (31 December 2017: N557,003,760 (USD 20,000,000) granted by International Finance Corporation (IFC).

iv) This represents a facility that has been repaid as at 30 september 2018 (31 December 2017: N1,389,616,000 (USD 50,000,000) granted by International Finance Corporation (IFC).

v) The amount of N6,971,202,402.82 (31 December 2017: N8,332,563,254 (USD 50,000,000) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of 5 years maturing 9 October 2019 with an interest rate of 3 months LIBOR + 3.65%.

vi) The amount of N5,228,157,653.17 (31 December 2017: N6,248,897,128 (USD 37,500,000) represents an unsecured facility granted by International Finance Corporation (IFC) repayable after a tenor of 5 years maturing 9 October 2019 with an interest rate of 6 months LIBOR + 4.75%.

vii) The amount of N4,108,544,605.01 (31 December 2017: N4,610,278,232 (USD 25,000,000) represents an unsecured facility granted by Netherlands Development Finance Company (FMO) repayable after a tenor of 6 years maturing 30 June 2020 with an interest rate of 6 months LIBOR + 4.5%.

viii) The amount of N4,108,544,605.01 (31 December 2017: N4,610,278,232 (USD 25,000,000) represents an unsecured facility granted by Netherlands Development Finance Company (FMO) repayable after a tenor of 6 years maturing 30 June 2020 with an interest rate of 6 months LIBOR + 4.5%.

ix The amount of N12,133,122,022.92 (31 December 2017: N10,907,315,673 (USD 32,877,500) represents an unsecured facility granted by European Investment (EIB) repayable after a tenor of 8 years maturing 22 September 2022 with an interest rate of LIBOR plus 4%.

x) The amount of N7,257,975,775.95 (31 December 2017 :N11,626,781,155 (USD 75,000,000)) represents a facility granted by OPIC, repayable after a tenor of 4 year maturing 15 August 2019 based on weekly certificate interest rate (CIR) payable quarterly.

xi) The amount of N24,205,080,939.85 (31 December 2017 : N27,667,720,168) represents a facilty granted by African Export Import (AFRIEXIM) Bank, repayable after a tenor of 5 years maturing 14 September 2021 with a nominal interest rate of 7.06% payable quarterly.

xii) This represents a facility that has been repaid as at 30 september 2018 (31 December 2017: N101,084,931) granted by Financial Derivatives Company Limited.

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xiii) The amount of N8,645,040,967.71 (31 December 2017 : N5,785,285,008) represents an unsecured facility granted by First City Asset Management Limited (FCAM).

xiv) The amount of N808,870,496.03 (31 December 2017 :N726,759,331) represents an unsecured facility granted by Micheal Ojo, at interest rate of 14.40%, maturing 26 October 2018.

xv) The amount of N185,369,178.08 (31 December 2017: Nil) represents an unsecured facility granted by Tayo Oyedeji, maturing 22 January 2019 with an interest rate of 16.25%.

xvi) The amount of N3,623,251,170.96 (31 December 2017: Nil) represents a secured facility granted by BMCE Bank International Plc, maturing 12 March 2020 with an interest rate of 3 months LIBOR +5.5%.

xvii) The amount of N3,690,831,324.77 (31 December 2017: Nil) represents an unsecured facility granted by Standard Chartered Bank Cargill, maturing 20 November 2018 with an interest rate of 6.585%.

xviii) The amount of N3,616,838,177.29 (31 December 2017: Nil) represents an unsecured facility granted by British Arab Commercial Bank UK, maturing 18 March 2019 with an interest rate of 6.31%.

xix) This represents a facility that has been repaid as at 30 september 2018 (31 December 2017: N3,413,748,697) granted by the British Commercial Bank.

xx) This represents a facility that has been repaid as at 30 september 2018 (31 December 2017: N3,395,642,823) granted by the British Commercial Bank.

xxi) This represents a facility that has been repaid as at 30 september 2018 (31 December 2017: 3,365,722,615) granted by the British Commercial Bank.

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

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
(c) Movement in borrowings account during the year was as follows:				
Balance, beginning of the period / year	**109,434,970**	132,094,368	-	-
Additions during the period / year	**24,787,236**	10,298,880	-	-
Repayments during the period / year	**(48,115,033)**	(43,184,244)	-	-
Translation difference	**9,488,019**	10,225,966	-	-
	95,595,192	109,434,970	-	-

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
35 On-lending facilities (see note (a) below)				
Bank of industry (BOI)	**34,269,414**	25,041,640	-	-
Commercial Agriculture Credit Scheme (CACS)	**5,274,089**	5,274,089	-	-
Micro, Small and Medium Enterprises Development Fund (MSMEDF)	**12,218,587**	12,218,587	-	-
	51,762,090	42,534,316	-	-
Current	**15,851,028**	4,154,030	-	-
Non-current	**35,911,062**	38,380,286	-	
	51,762,090	42,534,316	-	-

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

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

(b) Movement in on-lending facilities during the year was as follows:				
Balance, beginning of the period /year	**42,534,316**	42,199,380	-	-
Additions during the period / year	**25,190,635**	25,190,635	-	-
Repayments during the period / year	**(15,962,861)**	(24,855,699)	-	-
Balance, end of the period / year	**51,762,090**	42,534,316	-	-

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
36 Debt securities issued				
Debt securities at amortised cost:				
Bond issued (see note (a) below)	**56,613,341**	54,691,520	-	-
Note issued (see note (b) below)	**-**	-	-	-
	56,613,341	54,691,520	-	-
Current	**8,325,705**	8,325,705		
Non-current	**48,287,636**	46,365,815		
	56,613,341	54,691,520	-	-

(a) The amount of N56.614billion (31 December 2017: N54.69billion) represents the amortised cost of unsecured corporate bonds issued at par in different tranches. The coupon is paid semi-annually. See the table below for the tranches and their terms:

Tranche	Face value (N'billion)	Carrying amount (N'billion) 30 Sep 2018	Carrying amount (N'billion) 31 Dec 2017	Coupon rate	Issued date	Maturity date
Tranche 1 - N26 billion, 7years	26.00	27.09	26.12	14.25%	07-Nov-2014	19-Nov-2021
Tranche 2 - N23.185 billion, 5years	23.19	24.35	23.42	15.00%	06-Nov-2015	06-Nov-2020
Tranche 3 - N5.104billion, 7years	5.10	5.17	5.15	17.25%	09-Dec-2016	08-Dec-2023
Total	**54.29**	**56.61**	**54.69**			

The Group has not had any defaults of principal or interest or other breaches with respect to its debt securities during the period ended 30 September 2018.

(b) Movement in Debt securities issued during the year was as follows:				
Balance, beginning of the period / year	**54,691,520**	54,481,989	-	-
Accrued coupon interest for the period / year	**3,064,192**	981,643	-	-
Coupon interest paid during the period / year	**(1,662,036)**	(772,112)	-	-
Translation difference	**519,665**	-	-	-
Balance, end of the period / year	**56,613,341**	54,691,520	-	-

Notes to the consolidated and separate financial statements

37 Retirement benefit obligations

Defined contribution scheme

The Group and its employees make a joint contribution, 18% of basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. During the period the Group has complied with the Pension Reform Act 2014 and up to date payment of the reviewed employer contribution of 10% remitted while employees' contribution remains at 8%.

Total contributions to the scheme for the year were as follows:				
Balance at start of year	**70,364**	17,603	**-**	-
Charged to profit or loss (see note 15)	**463,425**	511,685	**6,402**	4,576
Employee contribution	**370,740**	604,944	**5,122**	3,661
Total amounts remitted	**(747,891)**	(1,063,868)	**(11,524)**	(8,237)
At reporting date	**156,638**	70,364	**-**	-

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
38 Provision				
Legal claims	**5,197,475**	3,576,634	**-**	-
Staff benefits	**693,336**	1,172,255	**-**	-
Off balance sheet items and undrawn commitments	**455,173**	-	**-**	-
Others	**394,697**	473,582	**303,630**	303,630
	6,740,681	5,222,471	**303,630**	303,630
Current	**394,697**	473,582	**303,630**	303,630
Non-current	**6,345,984**	4,748,889	**-**	-
	6,740,681	5,222,471	**303,630**	303,630

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

39 Other liabilities				
(a) **Other financial liabilities:**				
Customers' deposit for letters of credit	**24,820,854**	16,780,583	**-**	-
Bank cheques/drafts	**4,355,287**	3,762,656	**-**	-
Negotiated letters of credits	**13,939,102**	18,850,277	**-**	-
E-settlement payables	**7,995,288**	9,180,757	**-**	-
Withholding tax and value added tax payables	**613,718**	733,579	**13,028**	-
Unclaimed items	**5,728,637**	4,902,240	**-**	-
AMCON Sinking fun Accounts payable (see note (c) below)	**1,504,556**	-	**-**	-
Accounts payable - others	**24,232,696**	6,177,897	**197,079**	647,045
Accounts payable - unclaimed dividend	**762,450**	685,657	**762,450**	685,657
Proceeds from public offers	**74,571**	74,786	**-**	-
	84,027,159	61,148,432	**972,557**	1,332,702
(b) **Other non-financial liabilities:**				
Deferred income	**472,570**	341,005	**-**	-
Accrued expenses	**2,427,631**	1,968,774	**363,494**	295,961
	2,900,201	2,309,779	**363,494**	295,961
	86,927,360	63,458,211	**1,336,051**	1,628,663

(c) This relates to AMCON sinking fund contribution for prior years as advised by Central Bank of Nigeria based on the recalculation in line with the AMCON Amendment Act 2015 payable over a period of five years commencing in year 2019.

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

In thousands of Naira	GROUP 30 SEP 2018	GROUP 31 DEC 2017	COMPANY 30 SEP 2018	COMPANY 31 DEC 2017
40 Share capital				
(a) **Authorised**				
30billion ordinary shares of 50k each (2016: 30billion)	**15,000,000**	15,000,000	**15,000,000**	15,000,000
(b) **Issued and fully paid**				
19.8billion ordinary shares of 50k each (2016: 19.8billion)	**9,901,355**	9,901,355	**9,901,355**	9,901,355

41 Share premium and reserves

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

(a) **Share premium:** is the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.

(b) **Statutory reserve:** Nigerian banking regulations require the 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. The Banking Subsidiary transferred 15% of its 'profit after tax to statutory reserves as at year end (31 December 2017: 15%).

(c) **SSI reserve:** The SSI reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but Banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable. In the CBN Circular dated 5 April 2017, all Deposit Money Bank (DMBs) are required to set aside and remit 5% of the annual profit after tax for equity investments.

(d) **'Available for sale reserve (Fair value reserve):** The fair value reserve includes the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

(e) **Regulatory risk reserve:** The regulatory risk reserves warehouses the difference between the impairment of loans and advances under the Nigeria GAAP and Central Bank of Nigeria prudential guidelines and the incurred loss model used in calculating the impairment balance under IFRS.

(f) **Retained earnings:** Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted above.

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

42 Non-controlling Interest (NCI)

Disclosure of NCI in the Group's subsidiary

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

	COMPANY	
	30 SEP 2018	**31 Dec 2017**
NCI Percentage	8.36%	11.78%
Total Assets	4,135,069	3,857,317
Total Liabilities	875,511	781,761
Net Assets	3,259,558	3,075,556
Net assets attributable to NCI	272,660	362,206
Movement in NCI		
Opening balance	362,206	-
Dividend received	(75,372)	-
Addition/(Reduction) due to acquisition of Legacy Pension Managers shares by the Group	(83,109)	352,542
Share of post acquisition profit	68,935	8,918
Share of other comprehensive income	-	746
Total NCI at period/year end	**272,660**	**362,206**

43 Contingencies

(a) Legal Proceedings

The Group in its ordinary course of business is presently involved in 318 cases as a defendant (31 December 2017: 334) and 19 cases as a plaintiff (31 December 2017: 32). The total amount claimed in the 318 cases against the Banking Subsidiary is estimated at N99.41billion (31 December 2016: N51.37billion) while the total amount claimed in the 19 cases instituted by the Bank is N1.24billion (31 December 2016: N1.95billion). The Directors of the Bank are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements. Based on the realistic reserves as recommended by solicitors in charge of these ongoing litigations, a provision of $12,500,000 (N4.51billion) has been made for the period ended 30 September 2018 (31 December 2017: $10,000,000 (N3.31billion)). See note 37(a) for the provisions made in the books for claims. The Court, also granted an injunction over the assets of FCMB in the sum of £20,300,000 (N9.98billion) as at period ended, (31 December 2017: £20,300,000 (N9.149 billion). The Bank has exercised their rights under the Freezing Order to pay this money into the Court Funds Office discharging the Freezing Order. The £20,300,000 (N9.98billion) as at period ended, (31 December 2017: £20,300,000 (N9.149 billion) currently at the Court Funds Office remains the property of the Bank pending further order of the Court. See note 31(a).

(b) Other contingent liabilities and commitments

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

Nature of instruments

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

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

	GROUP		COMPANY	
In thousands of Naira	**30 SEP 2018**	**31 DEC 2017**	**30 SEP 2018**	**31 DEC 2017**
Performance bonds and guarantees	**120,003,410**	98,409,992	**-**	-
Clean line letters of credit	**61,045,404**	66,404,271	**-**	-
	181,048,814	164,814,263	**-**	-
Other commitments	**24,002**	86,977	**-**	-
	181,072,816	164,901,240	**-**	-
Current	**75,933,168**	81,355,010	**-**	-
Non-current	**105,139,648**	83,546,230	**-**	-
	181,072,816	164,901,240	**-**	-

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

44 Transition to IFRS 9 - Financial assets and financial liabilities

Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Group's financial assets and financial liabilities as at 1 January 2018.

				GROUP		COMPANY	
In thousands of Naira	**Note**	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**Original carrying amount under IFRS 9**	**Original carrying amount under IAS 39**	**Original carrying amount under IFRS 9**
Financial assets							
Cash and cash equivalents	21	Loans and receivables	Amortised cost	103,888,007	103,888,007	146,366	146,366
Restricted reserve deposits	22	Loans and receivables	Amortised cost	109,638,559	109,638,559	-	-
Trading assets	23(a)	FVTPL	FVTPL	23,936,031	23,936,031	-	-
Loans and advances to customers	24	Loans and receivables	Amortised cost	649,796,726		-	-
Assets pledged as collateral	26	Available for sale	FVOCI	2,442,100	2,442,100	-	-
Assets pledged as collateral	26	Held-to-maturity investments	Amortised cost	58,888,057	58,888,057	-	-
Investment securities	25	Held-to-maturity investments	Amortised cost	70,913,205	70,913,205	2,647,592	2,647,592
Investment securities	25	Available for sale (AFS)	FVOCI	82,515,454	82,515,454	2,461,548	2,461,548
Investment securities	25	Equity securities measured at fair value under available-for-sale investments	FVOCI	901,232	901,232	-	-
Investment securities	25	Unquoted equity securities at cost under AFS investments	FVOCI	4,511,596	10,582,227	1,572,923	117,970
Other assets	31	Loans and receivables	Amortised cost	22,344,109	22,344,109	744,575	744,575
Total financial assets				**1,129,775,076**	**486,048,981**	**7,573,004**	**6,118,051**
Financial liabilities							
Trading liabilities	23(b)	FVTPL	FVTPL	21,616,660	21,616,660	-	-
Deposits from banks	32	Amortised cost	Amortised cost	6,355,389	6,355,389	-	-
Deposits from customers	33	Amortised cost	Amortised cost	689,860,640	689,860,640	-	-
Borrowings	34	Amortised cost	Amortised cost	109,434,970	109,434,970	-	-
On-lending facilities	35	Amortised cost	Amortised cost	42,534,316	42,534,316	-	-
Debt securities issued	36	Amortised cost	Amortised cost	54,691,520	54,691,520	-	-
Other liabilities	39	Amortised cost	Amortised cost	61,148,432	61,148,432	1,332,702	1,332,702
Total financial liabilities				**985,641,927**	**985,641,927**	**1,332,702**	**1,332,702**

The Group's accounting policies on the classification of financial instruments under IFRS 9 are set out in Note 3(K)(ii). The application of these policies resulted in the classification set out in the table above and explained below.

(a) Certain loans and advances to customers held by the Group's investment banking business are classified under IFRS 9 as mandatorily measured at FVTPL because they are held within a business model in which they are managed and their performance is evaluated on a fair value basis. Before the adoption of IFRS 9, these loans and advances to customers were designated as at FVTPL because the Group manages them on a fair value basis in accordance with a documented investment strategy. Internal reporting and performance measurement of these loans and advances are on a fair value basis.

(b) Before the adoption of IFRS 9, certain trading assets and investments securities were reclassified out of the FVTPL and available-for-sale categories to loans and advances at their then fair values. On the adoption of IFRS 9, the carrying amount of those assets was adjusted so that their amortised cost under IFRS 9 was as if those assets were accounted for at amortised cost from their inception.

(c) Before the adoption of IFRS 9, certain investment securities were designated as at FVTPL because the Group holds related derivatives at FVTPL and this designation eliminated or significantly reduced an accounting mismatch that would otherwise arise. Under IFRS 9, these assets meet the criteria for mandatory measurement at FVTPL because the contractual cash flows of these securities are not solely payments of principal and interst on the principal outstanding. The reclassified assets include certain asset-backed securities whose exposure to credit risk is higher than the exposure to credit risk of the underlying pool of financial assets.

Notes to the consolidated and separate financial statements

(d) Certain debt securities are held by the Group Central Treasury in a separate portfolios for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows. These assets are classified as measured at amortised cost under IFRS 9.

(e) Certain debt securities are held by the Group Central Treasury in separate portfolio to meet everyday liquidity needs. The Group Central Treasury seeks to minimise the costs of managing those liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual payments as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The Group considers that under IFRS 9 these securities are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

(f) Certain non-trading debt securities are held by the Group Central Treasury in separate portfolis and are managed with an objective of realising cash flows through sale. The Group primarily focuses on fair value information and uses that information to assess the securities' performance and to make decisions. In addition, certain asset-backed securities have contractual cash flows that are not solely payments of principal and interest. These assets are therefore measured at FVTPL under IFRS 9.

(g) Certain equity investments held by the Group for strategic purposes have been designated under IFRS 9 as at FVOCI. Before the adoption of IFRS 9, these securities were measured at cost because their fair value was not considered to be realiably measureable. IFRS 9 has removed this cost exception.

(h) Under IAS 39, debt securities issued were designated as at FVTPL when the Group held related derivatived at FVTPL, and the designation therefore eliminated or significantly reduced an accounting mismatch that would otherwise have arisen. At the date of initial application of IFRS 9, the Group revoked its previous designation made under IAS 39 for some of these securities. This designation has been revoked in these cases because some of the related derivative positions have been closed and there is no longer a significant accounting mismatch arising from the securities.

The following table analyses the impact of transition to IFRS 9 on fair value and retained earnings. The impact relates to fair value reserve and retained earnings. There is no impact on other components of equity.

	Impact of adopting IFRS 9 at 1 January	
In thousands of Naira	**GROUP**	**COMPANY**
Fair value reserve		
Closing balance under IAS 39 (31 December 2017)	**2,547,807**	**-**
Reclassification of investment securities (Unquoted equity securities) measured at cost from available-for-sale to FVOCI	-	
Recognition of expected credit losses under IFRS 9 for financial assets FGN at FVOCI	2,778	-
Recognition of expected credit losses under IFRS 9 for financial assets Treasury bills at FVOCI	11,522	-
Opening balance under IFRS 9 (1 January 2018)	**2,562,107**	**-**
Retained earnings		
Closing blance under IAS 39 (31 December 2017)	**30,266,964**	**4,350,828**
Recognition of expected credit losses under IFRS 9 for loans and advances	(24,304,110)	
Recognition of expected credit losses under IFRS 9 for financial guarantees	(458,415)	-
Recognition of expected credit losses under IFRS 9 for state & corporate bonds	(132,586)	-
Recognition of expected credit losses under IFRS 9 for financial assets (Treasury bills)	(11,522)	-
Recognition of expected credit losses under IFRS 9 for financial assets (FGN Bonds FVOCI)	(2,778)	-
Recognition of expected credit losses under IFRS 9 for financial assets (FGN Bonds)	(45,870)	-
Recognition of expected credit losses under IFRS 9 for other financial assets	68,288	-
Recognition of expected credit losses under IFRS 9 for Placements	(10,042)	-
Recognition of effect of IFRS 9 transitional adjustment under regulatory risk reserve	14,204,674	-
Opening balance under IFRS 9 (1 January 2018)	**19,574,603**	**4,350,828**

The table below reconcile the closing impairment allowance for financial assets in accordance with IAS 39 and provisions for loan commitments and financial guarantee contracts in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets as at 31 December 2017; to the opening ECL allowance determined in accordance with IFRS 9 as at 1 January 2018.

	GROUP				COMPANY			
In thousands of Naira	**31 December 2017 (IAS 39 / IAS 37)**	**Reclassification**	**Remeasurement**	**1 January 2018 (IFRS 9)**	**31 December 2017 (IAS 39 / IAS 37)**	**Reclassification**	**Remeasurement**	**1 January 2018 (IFRS 9)**
Loans and receivables and held-to-maturity securities under IAS 39 / financial assets at amortised cost under IFRS 9 (including cash and cash equivalents, loans and advances to customers)	41,654,376	-	24,436,696	66,091,072	-	-	-	-
	41,654,376	**-**	**24,436,696**	**66,091,072**	**-**	**-**	**-**	**-**
Available-for-sale unquoted equity securities measured at cost under IAS 39 / unquoted equity securities at FVOCI under IFRS 9	-	-	-	-	-	-	-	-
Loan commitments and financial guarantee contracts issued	-	-	458,415	458,415	-	-	-	-
	41,654,376	**-**	**24,895,111**	**66,549,487**	**-**	**-**	**-**	**-**

Notes to the consolidated and separate financial statements

45 Group subsidiaries and related party transactions

(a) Parent and Uitimate controlling party

FCMB Group Plc is the ultimate parent company and its subsidiaries are as listed in note 45 (b) below.

(b) Subsidiaries:

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

Entity	Form of holding	Effective holding	Nominal share capital held N'000	Country of incorporation	Nature of Business
(1) First City Monument Bank Limited	Direct	100.00%	115,422,326	Nigeria	Banking
(2) FCMB Capital Markets Limited	Direct	100.00%	240,000	Nigeria	Capital Market
(3) CSL Stockbrokers Limited (CSLS)	Direct	100.00%	3,053,777	Nigeria	Stockbroking
(4) CSL Trustees Limited (CSLT)	Direct	100.00%	220,000	Nigeria	Trusteeship
(5) FCMB Microfinance Bank Limited	Direct	100.00%	100,000	Nigeria	Micro-lending
(6) Legacy Pension Managers Limited	Direct	91.64%	7,748,392	Nigeria	Pension Fund Manager
(7) Credit Direct Limited (CDL)	Indirect	100.00%	366,210	Nigeria	Micro-lending
(8) FCMB (UK) Limited (FCMB UK)	Indirect	100.00%	7,791,147	United Kingdom	Banking
(9) First City Asset Management Limited (FCAM)	Indirect	100.00%	50,000	Nigeria	Asset Management
(10) FCMB Financing SPV Plc.	Indirect	100.00%	250	Nigeria	Capital Raising

(c) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which its banking subsidiaries operate. The carrying amounts of Group subsidiaries' assets and liabilities are
The Group does not have any subsidiary that has material non-controlling interest.

(d) Condensed Financial Information

(i) The condensed financial data of the consolidated entities as at 30 September 2018 were as follows:

RESULTS OF OPERATIONS

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	FCMB MFB LIMITED	LEGACY PENSIONS	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Interest and discount income	336,619	94,475,198	84,716	384,736	52,868	71,276	118,620	95,524,033	(106,876)	95,417,157
Interest expense	-	(42,286,875)	-	-	-	(1,963)	-	(42,288,838)	106,876	(42,181,962)
Net interest income	**336,619**	**52,188,323**	**84,716**	**384,736**	**52,868**	**69,313**	**118,620**	**53,235,195**	**-**	**53,235,195**
Other income	1,695,662	27,934,372	224,006	845,134	138,912	20,305	2,336,294	33,194,685	(165,865)	33,028,820
Operating income	**2,032,281**	**80,122,695**	**308,722**	**1,229,870**	**191,780**	**89,618**	**2,454,914**	**86,429,880**	**(165,865)**	**86,264,015**
Operating expenses	(838,371)	(53,533,591)	(364,037)	(746,704)	(82,209)	(73,103)	(1,277,573)	(56,915,588)	45,736	(56,869,852)
Provision expense	-	(14,623,688)	-	-	-	(3,165)	-	(14,626,854)	-	(14,626,854)
Profit /(loss) before tax	**1,193,910**	**11,965,416**	**(55,315)**	**483,166**	**109,571**	**13,350**	**1,177,341**	**14,887,438**	**(120,129)**	**14,767,309**
Income tax expense	-	(2,900,975)	-	(135,247)	(32,385)	(4,142)	(353,202)	(3,425,951)	-	(3,425,951)
Profit /(loss) after tax	**1,193,910**	**9,064,441**	**(55,315)**	**347,919**	**77,186**	**9,208**	**824,139**	**11,461,487**	**(120,129)**	**11,341,358**
Other comprehensive income	-	7,170,114	-	514	-	-	-	7,170,628	-	7,170,628
Total comprehensive income for the period	**1,193,910**	**16,234,555**	**(55,315)**	**348,433**	**77,186**	**9,208**	**824,139**	**18,632,115**	**(120,129)**	**18,511,986**

FINANCIAL POSITION

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKER	CSL TRUSTEES LIMITED	FCMB MFB LIMITED	LEGACY PENSIONS	TOTAL	CONSOLIDATION JOURNAL	GROUP
Assets										
Cash and cash equivalents	251,345	153,340,417	250,016	1,285,445	2,609,703	35,102	50,696	157,822,724	(2,973,865)	154,848,858
Restricted reserve deposits	-	134,081,490	-	-	-	-	-	134,081,490	-	134,081,490
Trading assets	-	38,902,366	70	2,183,619	-	-	-	41,086,055	-	41,086,055
Loans and advances to customers	-	601,131,790	96,741	263,312	15,184	280,783	63,995	601,851,805	-	601,851,805
Assets pledged as collateral	-	70,333,544	-	-	-	-	-	70,333,544	-	70,333,544
Investment securities	4,103,948	198,857,440	777,694	365,643	878,380	8,024	1,270,899	206,262,028	(2,962,377)	203,299,651
Investment in subsidiaries	126,039,164	-	-	-	-	-	-	126,039,164	(126,039,164)	-
Property and equipment	24,378	33,331,405	12,951	84,144	24,928	11,237	1,868,385	35,357,428	-	35,357,428
Intangible assets	-	9,551,542	-	39,826	3,150	-	44,251	9,638,769	5,656,467	15,295,236
Deferred tax assets	-	8,233,563	25,244	-	-	-	-	8,258,807	-	8,258,807
Other assets	134,237	29,265,663	221,700	304,449	101,776	1,724	836,843	30,866,392	(255,386)	30,611,006
	130,553,072	**1,277,029,220**	**1,384,416**	**4,526,438**	**3,633,121**	**336,870**	**4,135,069**	**1,421,598,206**	**(126,574,325)**	**1,295,023,880**
Financed by:										
Trading liabilities	-	27,670,741	-	-	-	-	-	27,670,741	-	27,670,741
Derivative liabilities held for risk management	-	-	-	-	-	-	-	-	-	-
Deposits from banks	-	28,708,283	-	-	-	-	-	28,708,283	-	28,708,283
Deposits from customers	-	758,719,785	-	-	-	145,018	-	758,864,803	(2,973,865)	755,890,938
Liabilities classified as held for sale	-	-	-	-	-	-	-	-	-	-
Borrowings	-	95,595,192	-	-	-	-	-	95,595,192	-	95,595,192
On-lending facilities	-	51,762,090	-	-	-	-	-	51,762,090	-	51,762,090
Debt securities issued	-	59,575,717	-	-	-	-	-	59,575,717	(2,962,376)	56,613,341
Retirement benefit obligations	-	89,829	-	-	-	-	66,809	156,638	-	156,638
Current income tax liabilities	55,155	5,232,630	40,662	130,776	29,584	4,142	391,746	5,884,695	-	5,884,695
Deferred tax liabilities	-	-	25,244	30,130	600	-	76,092	132,066	-	132,066
Provision	303,630	6,423,656	3,880	-	8,125	1,390	-	6,740,681	-	6,740,681
Other liabilities	1,336,051	80,939,820	165,333	1,248,505	3,114,649	37,530	340,864	87,182,752	(255,392)	86,927,360
Share capital	9,901,355	2,000,000	500,000	943,577	50,000	150,000	800,000	14,344,932	(4,443,577)	9,901,355
Share premium	115,392,414	100,846,691	0	1,733,250	170,000	-	404,142	218,546,497	(103,154,083)	115,392,414
Retained earnings	3,564,467	21,172,656	649,297	441,744	260,163	(1,210)	1,545,184	27,632,301	(1,211,856)	26,420,445
Other reserves	-	38,292,130	-	(1,544)	-	-	510,232	38,800,818	(11,845,837)	26,954,981
Non-controlling Interest	-	-	-	-	-	-	-	-	272,660	272,660
	130,553,072	**1,277,029,220**	**1,384,416**	**4,526,438**	**3,633,121**	**336,870**	**4,135,069**	**1,421,598,206**	**(126,574,325)**	**1,295,023,880**
Acceptances and guarantees	**-**	**181,072,816**	**-**	**-**	**-**	**-**	**-**	**181,072,816**	**-**	**181,072,816**

Notes to the consolidated and separate financial statements

CONDENSED FINANCIAL INFORMATION

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

RESULTS OF OPERATIONS

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	FCMB MFB LIMITED	LEGACY PENSIONS	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Interest and discount income	647,996	95,585,823	129,127	228,270	68,357	19,860	-	96,679,433	(402,864)	96,276,569
Interest expense	-	(46,777,373)	-	-	-	(240)	-	(46,777,613)	402,864	(46,374,749)
Net interest income	**647,996**	**48,808,450**	**129,127**	**228,270**	**68,357**	**19,620**	**-**	**49,901,820**	**-**	**49,901,820**
Other income	273,009	17,546,851	177,067	708,893	156,732	5,813	-	18,868,365	(140,318)	18,728,047
Operating income	**921,005**	**66,355,301**	**306,194**	**937,163**	**225,089**	**25,433**	**-**	**68,770,185**	**(140,318)**	**68,629,867**
Operating expenses	(669,704)	(47,554,126)	(367,427)	(625,135)	(76,904)	(44,076)	-	(49,337,372)	33,825	(49,303,547)
Provision expense	0	(12,653,677)	5,455	(4,400)	-	(676)	-	(12,653,298)	-	(12,653,298)
Profit / (loss) before tax	**251,301**	**6,147,498**	**(55,778)**	**307,628**	**148,185**	**(19,319)**	**-**	**6,779,515**	**(106,493)**	**6,673,022**
Income tax expense	0	(1,229,539)	-	(101,525)	(41,419)	-		(1,372,483)	-	(1,372,483)
Profit / (loss) after tax	**251,301**	**4,917,959**	**(55,778)**	**206,103**	**106,766**	**(19,319)**	**-**	**5,407,032**	**(106,493)**	**5,300,539**
Other comprehensive income	0	691,476	-	29,055	-	-	-	720,531	-	720,531
Total comprehensive income for the period	**251,301**	**5,609,435**	**(55,778)**	**235,158**	**106,766**	**(19,319)**	**-**	**6,127,563**	**(106,493)**	**6,021,070**

FINANCIAL POSITION

In thousands of Naira	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	FCMB MFB LIMITED	LEGACY PENSIONS	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Assets										
Cash and cash equivalents	4,432,486	117,733,825	313,568	1,576,325	2,367,277	38,834	-	126,462,315	(6,431,324)	120,030,991
Restricted reserve deposits	-	89,547,089	-	-	-	-	-	89,547,089	-	89,547,089
Trading assets	-	12,762,360	-	1,465,822	-	-	-	14,228,182	-	14,228,182
Loans and advances to customers	-	655,095,837	117,605	164,670	17,543	67,073	-	655,462,728	-	655,462,728
Assets pledged as collateral	-	80,862,730	-	-	-	-	-	80,862,730	-	80,862,730
Investment securities	5,679,212	103,627,675	832,587	468,643	880,530	45,184	-	111,533,831	(2,502,395)	109,031,436
Investment in subsidiaries	118,240,772	-	-	-	-	-	-	118,240,772	(118,240,772)	-
Property and equipment	43,268	31,536,900	22,868	17,296	4,029	8,214	-	31,632,575	-	31,632,575
Intangible assets	160	9,530,854	-	31,804	-	-	-	9,562,818	205,876.00	9,768,694
Deferred tax assets	-	7,949,135	25,244	-	-	-	-	7,974,379	-	7,974,379
Other assets	700,988	17,288,056	116,540	260,589	109,832	9,395	-	18,485,400	(16,782)	18,468,618
	129,515,463	**1,125,934,461**	**1,428,412**	**3,985,149**	**3,379,211**	**168,700**	**-**	**1,264,411,396**	**(126,534,505)**	**1,137,876,891**
Financed by:										
Trading liabilities	-	7,711,941	-	-	-	-	-	7,711,941	-	7,711,941
Deposits from banks	-	22,195,636	-	-	-	-	-	22,195,636	-	22,195,636
Deposits from customers	-	642,695,435	-	-	-	28,548	-	642,723,983	(6,447,890)	636,276,093
Borrowings	-	116,751,940	-	-	-	-	-	116,751,940	-	116,751,940
On-lending facilities	-	57,124,710	-	-	-	-	-	57,124,710	-	57,124,710
Debt securities issued	-	58,972,364	-	-	-	-	-	58,972,364	(2,502,394)	56,469,970
Retirement benefit obligations	-	15,649	-	-	-	-	-	15,649	-	15,649
Current income tax liabilities	44,582	2,516,567	56,630	101,564	41,492	1,251	-	2,762,086	-	2,762,086
Other liabilities	1,099,868	49,739,256	238,584	1,452,210	2,855,394	53,143	-	55,438,455	(17,691)	55,420,764
Share capital	9,901,355	2,000,000	500,000	943,577	50,000	100,000	-	13,494,932	(3,593,577)	9,901,355
Share premium	115,392,414	100,846,690	-	1,733,250	170,000	-	-	218,142,354	(102,749,940)	115,392,414
Retained earnings	3,077,244	35,594,356	607,953	(538,774)	152,945	5,077	-	38,898,801	(4,432,488)	34,466,313
Other reserves	-	29,769,917	-	255,279	106,766	(19,319)	-	30,112,643	(6,790,524)	23,322,119
	129,515,463	**1,125,934,461**	**1,428,412**	**3,985,149**	**3,379,211**	**168,700**	**-**	**1,264,411,396**	**(126,534,505)**	**1,137,876,891**
Acceptances and guarantees	**-**	**138,362,137**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**138,362,137**