FCMB Group Plc

Unaudited Interim Financial Statements

For the period ended 30 June 2016

FCMB GROUP PLC
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2016

		GROUP		COMPANY	
In thousands of Naira	**Note**	**6months ended 30 June 2016**	**6months ended 30 June 2015**	**6months ended 30 June 2016**	**6months ended 30 June 2015**
Interest income	4	**60,549,979**	63,579,201	**255,497**	294,109
Interest expense	5	**(24,005,962)**	(29,143,308)	**-**	-
Net interest income		**36,544,017**	34,435,893	**255,497**	294,109
Fee and commission income	7	**8,817,052**	7,364,134	**-**	-
Fee and commission expense	7	**(1,765,733)**	(1,244,329)	**-**	-
Net fee and commission income		**7,051,319**	6,119,805	**-**	-
Net trading income	8	**333,922**	388,767	**-**	-
Net income from other financial instruments at fair value through profit or loss	9	**(20,973)**	154,048	**-**	-
Other income	10	**18,602,976**	5,867,560	**2,196,646**	1,181,072
		18,915,925	6,410,375	**2,196,646**	1,181,072
Net impairment loss on financial assets	6	**(13,488,274)**	(3,747,518)	**(450,000)**	-
Personnel expenses	11	**(12,761,405)**	(13,527,964)	**(158,487)**	(109,955)
Depreciation & amortisation expenses	12	**(2,196,750)**	(2,134,652)	**(12,473)**	(11,693)
General and administrative expenses	13	**(12,312,767)**	(12,215,204)	**(181,744)**	(192,750)
Other operating expenses	14	**(5,463,235)**	(5,774,907)	**(91,133)**	(184,579)
Profit before minimum tax and income tax		**16,288,830**	9,565,828	**1,558,306**	976,204
Minimum tax	16	**(450,000)**	(343,685)	**-**	-
Income tax (expense) / credit	16	**(170,683)**	(921,928)	**-**	-
Profit for the period		**15,668,147**	8,300,215	**1,558,306**	976,204
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		**3,328,167**	440,516	**-**	-
Net change in fair value of available-for-sale financial assets		**(1,946,972)**	425,316	**-**	-
		1,381,195	865,832	**-**	-
Other comprehensive income for the period, net of tax		**1,381,195**	865,832	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**17,049,342**	9,166,047	**1,558,306**	976,204
Profit attributable to:					
Equity holders of the Company		**15,668,147**	8,300,215	**1,558,306**	976,204
Non-controlling interests		**-**	-	**-**	-
		15,668,147	8,300,215	**1,558,306**	976,204
Total comprehensive income attributable to:					
Equity holders of the Company		**17,049,342**	9,166,047	**1,558,306**	976,204
Non-controlling interests		**-**	-	**-**	-
		17,049,342	9,166,047	**1,558,306**	976,204
Basic and diluted earnings per share (Naira)	15	**1.58**	0.84	**0.16**	0.10

CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2016

		GROUP				COMPANY			
		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE	
		2016	2015	2016	2015	2016	2015	2016	2015
	NOTE	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross Earnings		**53,920,476**	38,065,147	**88,282,956**	77,353,710	**2,400,228**	1,138,199	**2,452,143**	1,475,181
Interest income	2	**32,045,070**	31,301,847	**60,549,979**	63,579,201	**172,560**	143,351	**255,497**	294,109
Interest expense	3	**(12,659,953)**	(14,924,188)	**(24,005,962)**	(29,143,308)	**-**	-	**-**	-
Net interest income		**19,385,117**	16,377,659	**36,544,017**	34,435,893	**172,560**	143,351	**255,497**	294,109
Fee and commission income	5	**4,672,488**	3,630,301	**8,817,052**	7,364,134	**-**	-	**-**	-
Fee and commission expense		**(1,001,480)**	(546,413)	**(1,765,733)**	(1,244,329)	**-**	-	**-**	-
Net fee and commission income		**3,671,008**	3,083,888	**7,051,319**	6,119,805	**-**	-	**-**	-
Net trading income		**285,608**	33,282	**333,922**	388,767	**-**	-	**-**	-
Net income /(losses) from financial instr. at fair value through profit or loss		**(20,973)**	(1,311)	**(20,973)**	154,048	**-**	-	**-**	-
Other revenue		**16,938,283**	3,101,028	**18,602,976**	5,867,560	**2,227,668**	994,848	**2,196,646**	1,181,072
Revenue		**17,202,918**	3,132,999	**18,915,925**	6,410,375	**2,227,668**	994,848	**2,196,646**	1,181,072
Net impairment loss on loans and advances, banks & other assets	7	**(9,956,742)**	(1,642,610)	**(13,488,274)**	(3,747,518)	**(450,000)**	-	**(450,000)**	-
Personnel expenses	8	**(6,217,320)**	(6,630,289)	**(12,761,405)**	(13,527,964)	**(106,105)**	(53,179)	**(158,487)**	(109,955)
Depreciation & amortisation expenses	4	**(1,103,955)**	(1,088,721)	**(2,196,750)**	(2,134,652)	**(6,462)**	(5,732)	**(12,473)**	(11,693)
Gen & Admin	8	**(6,230,524)**	(6,391,856)	**(12,312,767)**	(12,215,204)	**(99,842)**	(98,194)	**(181,744)**	(192,750)
Other expenses	8	**(2,669,015)**	(3,044,753)	**(5,463,235)**	(5,774,907)	**(54,477)**	(117,270)	**(91,133)**	(184,579)
Profit before minimum tax and income tax		**14,081,487**	3,796,317	**16,288,830**	9,565,828	**1,683,342**	863,824	**1,558,306**	976,204
Minimum tax		**(225,000)**	(149,143)	**(450,000)**	(343,685)	**-**	-	**-**	-
Income tax expense		**166,259**	(624,647)	**(170,683)**	(921,928)	**-**	-	**-**	-
Profit for the period		**14,022,746**	3,022,527	**15,668,147**	8,300,215	**1,683,342**	863,824	**1,558,306**	976,204
Other comprehensive income, net of income tax:									
Foreign currency translation differences for foreign operations		**3,376,562**	(60,918)	**3,328,167**	440,516	**-**	-	**-**	-
Net change in fair value of available-for-sale financial assets		**(769,524)**	269,501	**(1,946,972)**	425,316	**-**	-	**-**	-
Related tax		**-**	-	**-**	-	**-**	-	**-**	-
Other comprehensive income for the period, net of tax		**2,607,038**	208,583	**1,381,195**	865,832	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**16,629,784**	3,231,110	**17,049,342**	9,166,047	**1,683,342**	863,824	**1,558,306**	976,204
Profit attributable to:									
Equity holders of the Company		**14,022,746**	3,022,527	**15,668,147**	8,300,215	**1,683,342**	863,824	**1,558,306**	976,204
Non-controlling interests		**-**	-	**-**	-	**-**	-	**-**	-
		14,022,746	3,022,527	**15,668,147**	8,300,215	**1,683,342**	863,824	**1,558,306**	976,204
Total comprehensive income attributable to:									
Equity holders of the Company		**16,629,784**	3,231,110	**17,049,342**	9,166,047	**1,683,342**	863,824	**1,558,306**	976,204
Non-controlling interests		**-**	-	**-**	-	**-**	-	**-**	-
		16,629,784	3,231,110	**17,049,342**	9,166,047	**1,683,342**	863,824	**1,558,306**	976,204
Basic and diluted earnings per share (naira)		**2.83**	0.61	**1.58**	0.84	**0.34**	0.17	**0.16**	0.10

FCMB GROUP PLC

NOTES TO THE INTERIM FINANCIAL REPORTS
FOR THE PERIOD ENDED 30 JUNE 2016

		GROUP				COMPANY			
		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE		2ND QTR ENDED JUNE		YEAR-TO-DATE ENDED JUNE	
		2016	2015	2016	2015	2016	2015	2016	2015
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
2	**Interest income**								
	Loans and advances to banks	**320,237**	771,334	**402,223**	1,471,603	**83,752**	142,264	**156,664**	292,676
	Loans and advances to customers	**26,092,173**	24,588,233	**49,993,471**	50,784,370	**-**	-	**-**	-
	Investments in government & other securities	**5,632,660**	5,942,280	**10,154,285**	11,323,228	**88,808**	1,087	**98,833**	1,433
		32,045,070	31,301,847	**60,549,979**	63,579,201	**172,560**	143,351	**255,497**	294,109
3	**Interest expense**								
	Deposits from banks	**637,716**	152,085	**800,683**	176,538	**-**	-	**-**	-
	Deposits from customers	**6,708,491**	12,081,231	**13,954,917**	23,224,257	**-**	-	**-**	-
		7,346,207	12,233,316	**14,755,600**	23,400,795	**-**	-	**-**	-
	Borrowings	**3,277,855**	1,751,075	**5,286,598**	3,914,773	**-**	-	**-**	-
	Debt issues securities	**1,785,875**	939,797	**3,508,504**	1,827,740	**-**	-	**-**	-
	Onlending facitilies	**250,016**	-	**455,260**	-	**-**	-	**-**	-
		12,659,953	14,924,188	**24,005,962**	29,143,308	**-**	-	**-**	-
4	**Impairment charge for credit losses**								
	Loans and advances to customers								
	Increase in specific impairment	**8,141,918**	3,130,799	**8,840,050**	4,511,316	**-**	-	**-**	-
	Increase in collective impairment	**127,321**	-	**2,944,463**	831,360	**-**	-	**-**	-
	Reversal of specific impairment	**###########**	(22,513)	**- 1,867,604.00**	(22,513)	**-**	-	**-**	-
	Income received on claims previously written off	**(786,070)**	(679,583)	**(997,724)**	(846,719)	**-**	-	**-**	-
		5,615,565	2,428,703	**8,919,185**	4,473,444	**-**	-	**-**	-
	Other assets & AFS								
	Increase / (writeback) in impairment	**3,891,177**	(759,237)	**4,119,089**	(725,926)	**-**	-	**-**	-
	Impairment for investment securities avaliable for sale	**-**	(26,856)	**-**	-	**-**	-	**-**	-
		3,891,177	(786,093)	**4,119,089**	(725,926)	**-**	-	**-**	-
	Investment in subsidiary/Goodwill								
	Impairment charge	**450,000**	-	**450,000**	-	**450,000**	-	**450,000**	-
		450,000	-	**450,000**	-	**450,000**	-	**450,000**	-
		9,956,742	1,642,610	**13,488,274**	3,747,518	**450,000**	-	**450,000**	-
5	**Net fee and commission income**								
	Credit related fees	**85,611**	-	**166,356**	-	**-**	-	**-**	-
	Account Maintenance / Commission on turnover	**633,133**	547,679	**1,374,037**	1,159,159	**-**	-	**-**	-
	Letters of credit commission	**212,261**	156,327	**292,888**	258,948	**-**	-	**-**	-
	Commission on off-balance sheet transactions	**97,613**	129,417	**153,564**	191,113	**-**	-	**-**	-
	Cards & Service fees and commissions	**3,643,870**	2,796,878	**6,830,207**	5,754,914	**-**	-	**-**	-
	Gross Fee and commission income	**4,672,488**	3,630,301	**8,817,052**	7,364,134	**-**	-	**-**	-
	Card and other recoverable expenses	**(890,010)**	(458,589)	**(1,500,995)**	(1,054,624)	**-**	-	**-**	-
	Other banks charges	**(111,470)**	(87,824)	**(264,738)**	(189,705)	**-**	-	**-**	-
	Fee and commission expense	**(1,001,480)**	(546,413)	**(1,765,733)**	(1,244,329)	**-**	-	**-**	-
	Net fee and commission income	**3,671,008**	3,083,888	**7,051,319**	6,119,805	**-**	-	**-**	-
	Net trading income								
	Bonds trading (loss) / income	**70,650**	(49,935)	**52,025**	(75,104)	**-**	-	**-**	-
	Treasury bills trading income	**210,952**	164,197	**282,088**	434,228	**-**	-	**-**	-
	Equities trading income	**4,006**	(80,980)	**(191)**	29,643	**-**	-	**-**	-
		285,608	33,282	**333,922**	388,767	**-**	-	**-**	-
6	**Net gains / (losses) from other financial instruments at fair value**								
	Net gains / (losses) arising on:								
	Fair value instruments held for trading	**-**	-	**-**	-	**-**	-	**-**	-
	Net gain / (losses) on investment securities	**-**	-	**-**	-	**-**	-	**-**	-
	Fair value gain on derivative financial instruments held	**(20,973)**	(1,311)	**(20,973)**	154,048	**-**	-	**-**	-
		(20,973)	(1,311)	**(20,973)**	154,048	**-**	-	**-**	-
7	**Other revenue**								
	Dividends on equity investment securities in the subsidiaries	**-**	-	**-**	-	**150,000**	-	**150,000**	-
	Dividends on unquoted equity securities at cost	**182,943**	239,680	**233,977**	239,680	**-**	-	**-**	-
	Foreign exchange gains	**16,726,112**	1,376,615	**18,281,800**	3,917,246	**2,077,366**	(9,841)	**2,046,281**	176,328
	Profit on disposal of investment securities	**-**	1,404,689	**2,980**	1,404,689	**-**	1,004,689	**-**	1,004,689
	Profit / (loss) on sale of property and equipment	**16,728**	(1,514)	**60,320**	130,661	**302**	-	**365**	55
	Other income	**12,500**	81,558	**23,899**	175,284	**-**	-	**-**	-
		16,938,283	3,101,028	**18,602,976**	5,867,560	**2,227,668**	994,848	**2,196,646**	1,181,072
8	**Other operating expenses**								
	Personnel expenses	**6,217,320**	6,630,289	**12,761,405**	13,527,964	**106,105**	53,179	**158,487**	109,955
	Depreciation	**961,890**	954,002	**1,919,771**	1,874,966	**6,222**	5,492	**11,992**	11,212
	Amortisation	**142,065**	134,719	**276,979**	259,686	**240**	240	**481**	481
	Gen & Admin	**6,230,524**	6,391,856	**12,312,767**	12,215,204	**99,842**	98,194	**181,744**	192,750
	Other expenses	**2,669,015**	3,044,753	**5,463,235**	5,774,907	**54,477**	117,270	**91,133**	184,579
		16,220,814	17,155,619	**32,734,157**	33,652,727	**266,886**	274,375	**443,837**	498,977
	Earnings per share								
	Profit attributable to equity holders of the Company	**14,022,746**	3,022,527	**15,668,147**	8,300,215	**1,683,342**	863,824	**1,558,306**	976,204
	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)	2.83	0.61	1.58	0.84	0.34	0.17	0.16	0.10

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
In thousands of Naira	**Note**	**30 JUN 2016**	**31 DEC 2015**	**30 JUN 2016**	**31 DEC 2015**
ASSETS					
Cash and cash equivalents	17	**154,299,985**	180,921,698	**7,747,760**	7,231,196
Restricted reserve deposits	18	**151,760,973**	125,552,318	**-**	-
Non-pledged trading assets	19	**11,241,607**	1,994,350	**-**	-
Derivative assets held for risk management	20	**1,982,445**	1,479,760	**-**	-
Loans and advances to customers	21	**657,021,003**	592,957,417	**-**	-
Assets pledged as collateral	23	**55,777,589**	51,777,589	**-**	-
Investment securities	22	**170,781,502**	135,310,147	**2,973,232**	2,013,621
Investment in subsidiaries	24	**-**	-	**117,796,361**	118,246,361
Investment in associates	25	**731,964**	731,964	**418,577**	418,577
Property and equipment	26	**30,096,744**	29,970,738	**83,122**	41,263
Intangible assets	27	**8,576,426**	8,968,539	**1,364**	1,845
Deferred tax assets	28	**8,186,452**	8,166,241	**-**	-
Other assets	29	**36,089,520**	21,703,415	**110,142**	1,425,398
Total assets		**1,286,546,210**	1,159,534,176	**129,130,558**	129,378,261
LIABILITIES					
Derivative liabilities held for risk management	20	**1,772,742**	1,317,271	**-**	-
Deposits from banks	30	**41,897,518**	5,461,038	**-**	-
Deposits from customers	31	**689,345,295**	700,216,706	**-**	-
Borrowings	32	**142,427,630**	113,700,194	**-**	-
On-lending facilities	33	**33,390,768**	33,846,116	**-**	-
Debt securities issued	34	**49,209,867**	49,309,394	**-**	-
Retirement benefit obligations	35	**122,159**	50,544	**-**	-
Current income tax liabilities	16	**2,212,512**	3,497,954	**25,231**	25,231
Deferred tax liabilities	28	**64,952**	68,438	**-**	-
Other liabilities	36	**148,503,874**	89,675,234	**1,177,299**	1,003,037
Total liabilities		**1,108,947,317**	997,142,889	**1,202,530**	1,028,268
EQUITY					
Share capital	37(b)	**9,901,355**	9,901,355	**9,901,355**	9,901,355
Share premium	38	**115,392,414**	115,392,414	**115,392,414**	115,392,414
Retained earnings	38	**30,014,514**	17,181,437	**2,634,259**	3,056,224
Other reserves	38	**22,290,611**	19,916,081	**-**	-
		177,598,893	162,391,287	**127,928,028**	128,349,993
Total liabilities and equity		**1,286,546,210**	1,159,534,176	**129,130,558**	129,378,261
Acceptances and guarantees	39(a)	**174,847,324**	142,062,200	**-**	-

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

GROUP

In thousands of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Translation reserve	Available for sale reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2015	**9,901,355**	**115,392,414**	**26,238,677**	**5,352,591**	**-**	**1,077,661**	**(327,972)**	**2,730,705**	**160,365,431**
Profit	-	-	4,098,674	661,992	-	-		-	**4,760,666**
Other comprehensive income, net of tax	-	-	-	-	-	498,494	1,717,374	-	**2,215,868**
Total comprehensive income for the year	**-**	**-**	**4,098,674**	**661,992**	**-**	**498,494**	**1,717,374**	**-**	**6,976,534**
Transactions with owners recorded directly in equity									
Transfer from regulatory risk reserve	-	-	(8,205,236)	-	-	-	-	8,205,236	**-**
Dividend paid	-	-	(4,950,678)	-	**-**	-	-	-	**(4,950,678)**
Total Contributions by and distributions to equity holders	**-**	**-**	**(13,155,914)**	**-**	**-**	**-**	**-**	**8,205,236**	**(4,950,678)**
Balance at 31 December 2015	**9,901,355**	**115,392,414**	**17,181,437**	**6,014,583**	**-**	**1,576,155**	**1,389,402**	**10,935,941**	**162,391,287**
Profit for the period	-	-	14,674,812	993,335	-	-		-	15,668,147
Other comprehensive income, net of tax	-	-	-	-	-	3,328,167	(1,946,972)	-	1,381,195
Total comprehensive income for the year	-	-	14,674,812	993,335	-	3,328,167	(1,946,972)	-	17,049,342
Contributions by and distributions to equity holders									
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	(1,980,271)	-	-	-	-	-	(1,980,271)
Impairment of subsidiary	-	-	138,535	-	-	-	-	-	**138,535**
Total Contributions by and distributions to equity holders	**-**	**-**	(1,841,736)	**-**	**-**	**-**	**-**	**-**	**(1,841,736)**
Balance at 30 June 2016	**9,901,355**	**115,392,414**	**30,014,514**	**7,007,918**	**-**	**4,904,322**	**(557,570)**	**10,935,941**	**177,598,893**

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

COMPANY

In thousand of Naira

	Share capital	Share premium	Retained earnings	Statutory reserve	SSI reserve	Translation reserve	Available for sale reserve	Regulatory risk reserve	Total equity
Balance at 1 January 2015	**9,901,355**	**115,392,414**	**5,483,847**	**-**	**-**	**-**	**-**	**-**	**130,777,616**
Profit for the year	-	-	2,523,055	-	-	-	-	-	**2,523,055**
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	**-**
Total comprehensive income for the year	**-**	**-**	**2,523,055**	**-**	**-**	**-**	**-**	**-**	**2,523,055**
Transactions with owners recorded directly in equity									
Transfer from regulatory risk reserve	-	-	-	-	-	-	-	-	**-**
Dividend paid	-	-	(4,950,678)	-	-	-	-	-	**(4,950,678)**
Total Contributions by and distributions to equity holders	**-**	**-**	**(4,950,678)**	**-**	**-**	**-**	**-**	**-**	**(4,950,678)**
Balance at 31 December 2015	**9,901,355**	**115,392,414**	**3,056,224**	**-**	**-**	**-**	**-**	**-**	**128,349,993**
Profit for the year	-	-	1,558,306	-	-	-	-	-	**1,558,306**
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	**-**
Total comprehensive income for the year	-	-	1,558,306	-	**-**	-	-	-	**1,558,306**
Contributions by and distributions to equity holders									
Transfer to regulatory risk reserve	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	(1,980,271)	-	-	-	-	-	(1,980,271)
Total Contributions by and distributions to equity holders	**-**	**-**	**(1,980,271)**	**-**	**-**	**-**	**-**	**-**	**(1,980,271)**
Balance at 30 June 2016	**9,901,355**	**115,392,414**	**2,634,259**	**-**	**-**	**-**	**-**	**-**	**127,928,028**

CONSOLIDATED AND SEPARATE STATEMENT OF CASHFLOWS

In thousands of Naira	Note	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
Cash flows from operating activities					
Profit for the period/year		**15,668,147**	4,760,666	**1,558,306**	2,523,055
Adjustments for:					
Net impairment loss on financial assets	6	**13,488,274**	15,033,459	**450,000**	689,742
Fair value gain on financial assets held for trading	40(i)	**76,219**	(3,143)	**-**	-
Net income from other financial instruments at fair value through profit or loss	9	**20,973**	(149,846)	**-**	-
Depreciation and amortisation	12	**2,196,750**	4,363,016	**12,473**	23,260
Gain / (Loss) on disposal of property and equipment and intangible assets	10	**(60,320)**	(231,328)	**(365)**	(108)
Gain on disposal of investment securities	10	**(2,980)**	(2,584,955)	**-**	(1,915,875)
Share of profit of associates		**-**	(84,565)	**-**	-
Foreign exchange gains	10	**(18,281,800)**	(5,431,496)	**(2,046,281)**	(201,710)
Net interest income	40(ix)	**(36,544,017)**	(63,936,832)	**(255,497)**	(536,426)
Dividend income		**(233,977)**	(532,552)	**(150,000)**	(218,510)
Tax expense	16	**620,683**	3,007,998	**-**	25,231
		(23,052,048)	(45,789,578)	**(431,364)**	388,659
Changes in operating assets and liabilities					
Net (increase)/decrease restricted reserve deposits	40(x)	**(26,208,655)**	20,553,255	**-**	-
Net (increase)/decrease Derivative assets held	40(xi)	**(502,685)**	3,420,397	**-**	-
Net (increase)/decrease non-pledged trading assets	40(xii)	**(9,247,257)**	(1,237,693)	**-**	-
Net (increase)/decrease loans and advances to customers	40(xiii)	**(64,063,586)**	25,022,373	**-**	-
Net (increase)/decrease in other assets	40(xiv)	**(14,386,105)**	4,384,268	**1,315,256**	4,026,682
Net increase/(decrease) in deposits from banks	40(xv)	**36,436,480**	664,286	**-**	-
Net increase/(decrease) in deposits from customers	40(xvi)	**(10,871,411)**	(33,580,090)	**-**	-
Net increase/(decrease) in on-lending facilities	40(xvii)	**(455,348)**	18,359,414	**-**	-
Net increase/(decrease) in derivative liabilities held	40(xviii)	**455,471**	(3,278,455)	**-**	-
Net Increase/(decrease) in other liabilities and others	40(vii)	**58,524,430**	(33,094,394)	**166,977**	309,057
		(53,370,715)	(44,576,216)	**1,050,869**	4,724,398
Interest received	40(ii)	**71,456,901**	128,810,492	**215,341**	484,314
Interest paid	40(iii)	**(21,778,379)**	(74,313,914)	**-**	-
VAT paid	40(iv)	**(440,853)**	(770,249)	**-**	-
Income taxes paid	16(iii)	**(1,906,125)**	(3,883,168)	**-**	(114,246)
Net cash used in operating activities		**(6,039,171)**	5,266,945	**1,266,210**	5,094,466
Cash flows from investing activities					
Investment in subsidiaries	24	**-**	-	**-**	(180,000)
Dividends received	10	**233,977**	532,552	**150,000**	218,510
Purchase of property and equipment	26	**(2,153,390)**	(6,992,056)	**(54,050)**	(7,223)
Purchase of intangible assets	27(a)	**(241,847)**	-	**-**	-
Proceeds from sale of property and equipment	40(viii)	**167,932**	89,004	**565**	108
Acquisition of investment securities	40(v)	**(81,056,451)**	(85,257,087)	**(263,502)**	(440,698)
Proceeds from sale and redemption of investment securities	40(v)	**52,807,346**	106,775,458	**-**	3,434,934
Net cash generated from investing activities		**(30,242,433)**	15,147,871	**(166,987)**	3,025,631
Cash flows from financing activities					
Dividend paid		**(1,980,271)**	(4,950,678)	**(1,980,271)**	(4,950,678)
Proceeds from long term borrowing	32(b)	**2,210,386**	28,781,222	**-**	-
Repayment of long term borrowing	32(b)	**(2,382,280)**	(14,742,847)	**-**	-
Proceeds from debt securities issued	34(b)	**-**	23,135,208	**-**	-
Net cash generated from financing activities		**(2,152,165)**	32,222,905	**(1,980,271)**	(4,950,678)
Net Increase /(decrease) in cash and cash equivalents		**(38,433,769)**	52,637,721	**(881,048)**	3,169,419
Cash and cash equivalents at start of year	17	**180,921,698**	126,293,809	**7,231,196**	4,056,165
Effect of exchange rate fluctuations on cash and cash equivalents held		**11,812,056**	1,990,168	**1,397,612**	5,612
Cash and cash equivalents at end of year	17	**154,299,985**	180,921,698	**7,747,760**	7,231,196

Notes to the Unaudited Interim Financial Statements
For the period ended 30 June 2016

1 **Reporting entity**

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

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

FCMB Group Plc is a company domiciled in Nigeria. The address of the company's registered office is 44 Marina Street, Lagos Island, Lagos. These unaudited interim reports for the period ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

2 **Significant Accounting Policies**

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

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

(a) Basis of preparation

(i) Statement of compliance

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

(ii) Basis of measurement

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

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

(iii) Functional and presentation currency

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

(iv) Use of estimates and judgments

The preparation of the consolidated 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.

(b) Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Special purpose entities

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

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

(iii) Loss of control

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

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

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

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

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

(v) Transactions eliminated on consolidation

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

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the spot exchange rates as at that date. The foreign currency gain or loss is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the 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 retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

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

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

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

(d) Interest

Interest income and expense are recognised in profit or loss using the effective interest method.

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

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

Interest income and expense presented in the statement of comprehensive income include:

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

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

(e) Fees and commission

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

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

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

(f) Net trading income

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

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

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

(h) Dividend income

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

(i) Lease payments

(i) Lease payments – Lessee

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction on the outstanding liability. The finance expense is allocated to each 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.

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 profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

(i) Current income tax

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

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

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

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

(ii) Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

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

(iii) Tax exposures

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

(k) Financial assets and financial liabilities

(i) Recognition

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

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

(ii) Classification

Financial assets

The classification of financial instruments depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. The Group classfies its financial assets in 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 3(m) (n) 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) De-recognition

Financial assets

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

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

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

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

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

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

(iv) Offsetting

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

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

(v) Amortised cost measurement

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

(vi) Fair value measurement

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

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

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

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

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

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

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

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

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

(vii) Identification and measurement of impairment

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

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

Objective evidence that financial assets are impaired can include;

(a) a breach of contract, such as a default or delinquency in interest or principal payments;

(b) significant financial difficulty of the issuer or obligor;

(c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would

(d) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(i) adverse changes in the payment status of borrowers in the portfolio; and

(ii) national economic conditions that correlate with defaults on the assets in the portfolio.

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

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

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

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

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

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

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

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

Assets classified as available for sale

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

(l) Cash and cash equivalents and restricted deposits

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

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

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

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

(i) Trading assets and liabilities

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

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

(ii) Designation at fair value through profit or loss

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

-the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise or

-the financial assets are part of a portfolio of financial instruments which is risk managed and reported to management on a fair value basis or

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

(iii) Reclassification of financial assets and liabilities

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

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

(n) Assets pledged as collateral

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

(o) Loans and advances

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

Loan and receivables to customers and others include:

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

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

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

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

(p) Investment securities

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

(i) Held-to-maturity

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

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

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

(ii) Fair value through profit or loss

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

(iii) Available-for-sale

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

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

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

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

(q) Derivatives held for risk management purposes

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

(r) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

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

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are 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 date of the consolidated statement of financial position. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (s) on impairment of non-financial assets.

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

(iv) De-recognition

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

(s) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss; Goodwill on acquisition of subsidiaries is included in intangible assets.

Subsequent measurement

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

(ii) Software

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

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

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

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

(t) Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are 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 plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group chooses to carry the liabilities at fair value through profit or loss.

(v) Sale and repurchase agreements

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

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

(w) Provisions

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

(x) Financial guarantees and loan commitments

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

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

(y) Employee benefits

(i) Retirement benefit obligations

A retirement benefit obligation is a defined contribution plan. A defined contribution plan is a post-employment benefits plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the period during which related services are rendered. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted.

(z) Share capital and reserves

(i) Share issue costs

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

(ii) Dividend on the Company's ordinary shares

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

(aa) Earnings per share

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

(ab) Segment reporting

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

(ac) New standards and interpretations not yet adopted

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

(i) Equity method in Separate Financial Statements (Amendments IAS 27)

The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in subsidiaries,
The amendment is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted. The amendments apply retrospectively.

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

(ii) IFRS 15 - Revenue from contracts with customers

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

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

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

(iii) IFRS 9 - Financial instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.
IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group has commenced the process of evaluating the potential effect of this standard but is awaiting finalization of the limited amendments before the evaluation can be completed. Given the nature of the Group's operations, this standard is expected to have a pervasive impact on the Group's financial statements.

The Group has started the process of evaluating the potential effect of this standard. Given the nature of the Group's operations, this standard is expected to have a pervasive impact on the Group's financial statements.

Notes to the Unaudited Interim Financial Statements
For the period ended 30 June 2016

		GROUP		COMPANY	
In thousands of Naira		**6months ended 30 June 2016**	**6months ended 30 June 2015**	**6months ended 30 June 2016**	**6months ended 30 June 2015**
4	**Interest income**				
	Cash and cash equivalents	**402,223**	1,471,603	**156,664**	292,676
	Loans and advances to customers	**49,993,471**	50,784,370	**-**	-
	Investments in government & corporate securities	**10,154,285**	11,323,228	**98,833**	1,433
		60,549,979	63,579,201	**255,497**	294,109
5	**Interest expense**				
	Deposits from banks	**800,683**	176,538	**-**	-
	Deposits from customers	**13,954,917**	23,224,257	**-**	-
		14,755,600	23,400,795	**-**	-
	Borrowings	**5,286,598**	3,914,773	**-**	-
	Debt securities issued	**3,508,504**	1,827,740	**-**	-
	Onlending facitilies	**455,260**	-	**-**	-
		24,005,962	29,143,308	**-**	-
	There were no financial liabilities carried at Fair value through profit or loss.				
6	**Net impairment loss on financial assets**				
(a)	**Loans and advances to customers**				
	Specific impairment charge	**8,840,050**	4,511,316	**-**	-
	Collective impairment charge	**2,944,463**	831,360	**-**	-
	Reversal of specific impairment	**(1,867,604)**	(22,513)	**-**	-
	Recoveries on loans previously written off	**(997,724)**	(846,719)	**-**	-
		8,919,185	4,473,444	**-**	-
(b)	**Other assets**				
	Impairment charge	**4,119,089**	(725,926)	**-**	-
		4,119,089	(725,926)	**-**	-
(C)	**Investment in subsidiary/Goodwill**				
	Impairment charge	**450,000**	-	**450,000**	-
		450,000	-	**450,000**	-
		13,488,274	3,747,518	**450,000**	-

Notes to the Unaudited Interim Financial Statements
For the period ended 30 June 2016

		GROUP		COMPANY	
	In thousands of Naira	**6months ended 30 June 2016**	**6months ended 30 June 2015**	**6months ended 30 June 2016**	**6months ended 30 June 2015**
7	**Net fee and commission income**				
	Credit related fees	**166,356**	-	**-**	-
	Account Maintenance / Commission on turnover	**1,374,037**	1,159,159	**-**	-
	Letters of credit commission	**292,888**	258,948	**-**	-
	Commission on off-balance sheet transactions	**153,564**	191,113	**-**	-
	Cards & Service fees and commissions	**6,830,207**	5,754,914	**-**	-
	Gross Fee and commission income	**8,817,052**	7,364,134	**-**	-
	Card and cheque books recoverable expenses	**(1,500,995)**	(1,054,624)	**-**	-
	Other banks charges	**(264,738)**	(189,705)	**-**	-
	Fee and commission expense	**(1,765,733)**	(1,244,329)	**-**	-
	Net fee and commission income	**7,051,319**	6,119,805	**-**	-

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

		GROUP 30 June 2016	GROUP 30 June 2015	COMPANY 30 June 2016	COMPANY 30 June 2015
8	**Net trading income**				
	Bonds trading (loss) / income	**52,025**	(75,104)	**-**	-
	Treasury bills trading income	**282,088**	434,228	**-**	-
	Options & Equities trading income	**(191)**	29,643	**-**	-
		333,922	388,767	**-**	-
9	**Net income from other financial instruments at fair value through profit or loss**				
	Net income arising on:				
	Fair value gain on derivative financial instruments held for risk management	**-**	154,048	**-**	-
	Impairment for investment securities avaliable for sale	**(20,973)**	-	**-**	-
		(20,973)	154,048	**-**	-
10	**Other income**				
	Dividends on equity investment securities in the subsidiaries	**-**	-	**150,000**	-
	Dividends on unquoted equity securities at cost	**233,977**	239,680	**-**	-
	Foreign exchange gains (see note (a) below)	**18,281,800**	3,917,246	**2,046,281**	176,328
	Profit on disposal of investment securities	**2,980**	1,404,689	**-**	1,004,689
	Gain on sale of property and equipment	**60,320**	130,661	**365**	55
	Other income (see note (b) below)	**23,899**	175,284	**-**	-
		18,602,976	5,867,560	**2,196,646**	1,181,072

(a) Included in the foreign exchange gains is N13.06billion (June 2015: N1.12bn) representing Foreign exchange revaluation gains for the period.

	GROUP 30 June 2016	GROUP 30 June 2015	COMPANY 30 June 2016	COMPANY 30 June 2015
(b) Other income comprises:				
Rental income	**18,273**	175,284	**-**	-
Recoveries	**5,626**	-	**-**	-
	23,899	175,284	**-**	-

Notes to the Unaudited Interim Financial Statements
For the period ended 30 June 2016

In thousands of Naira	GROUP 6months ended 30 June 2016	GROUP 6months ended 30 June 2015	COMPANY 6months ended 30 June 2016	COMPANY 6months ended 30 June 2015
11 Personel expenses				
Short term employee benefits	**10,912,819**	11,890,557	**147,674**	96,881
Contributions to defined contribution plans	**304,869**	354,725	**4,047**	-
Non-payroll staff cost	**1,543,717**	1,282,682	**6,766**	13,074
	12,761,405	13,527,964	**158,487**	109,955
12 Depreciation and Amortisation				
Amortisation of Intangibles	**276,979**	259,686	**481**	481
Depreciation of property and equipment	**1,919,771**	1,874,966	**11,992**	11,212
	2,196,750	2,134,652	**12,473**	11,693

In thousands of Naira	GROUP 6months ended 30 June 2016	GROUP 6months ended 30 June 2015	COMPANY 6months ended 30 June 2016	COMPANY 6months ended 30 June 2015
13 General and administrative expenses				
Communication, stationery and postage	**1,049,292**	1,029,459	**6,760**	9,937
Business travel expenses	**571,476**	508,584	**2,222**	5,999
Advert, promotion and corporate gifts	**1,155,384**	1,362,675	**810**	10,886
Business premises and equipment costs	**2,026,368**	1,864,179	**9,724**	8,715
Directors' emoluments and expenses	**511,612**	489,471	**93,907**	99,931
IT expenses	**1,411,786**	1,348,143	**1,393**	583
Contract Services and training expenses	**2,644,755**	2,652,176	**1,600**	184
Vehicles maintenance expenses	**699,284**	666,509	**2,469**	459
Security expenses	**1,015,808**	1,020,645	**-**	-
Auditors' remuneration	**140,591**	132,393	**17,500**	17,500
Professional charges	**1,086,411**	1,140,970	**45,359**	38,556
	12,312,767	12,215,204	**181,744**	192,750
14 Other operating expenses				
NDIC Insurance Premium & other insurances	**1,843,879**	1,987,827	**2,820**	1,135
AMCON Expenses	**2,810,150**	2,762,837	**-**	-
Others (see note (a) below)	**809,206**	1,024,243	**88,313**	183,444
	5,463,235	5,774,907	**91,133**	184,579
(a) Others comprises:				
AGM, meetings and shareholders expenses	**150,605**	54,810	**82,771**	32,417
Donation and sponsorship expenses	**104,802**	169,063	**-**	-
Entertainment expenses	**150,547**	127,660	**2,202**	12,143
Fraud and forgery expense	**18,444**	12,100	**-**	-
Rental expenses	**138,666**	123,945	**3,340**	4,210
Other accounts written off	**39,946**	94,613	**-**	-
Provision for litigation	**206,090**	320,087	**-**	134,674
Penalty	**106**	29,000	**-**	-
	809,206	931,278	**88,313**	183,444

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For the period ended 30 June 2016

In thousands of Naira	GROUP 6months ended 30 June 2016	GROUP 6months ended 30 June 2015	COMPANY 6months ended 30 June 2016	COMPANY 6months ended 30 June 2015
15 Earnings per share				
Basic and diluted earnings per share				
Profit attributable to equity holders	**15,668,147**	8,300,215	**1,558,306**	976,204
Weighted average number of ordinary shares in issue (in '000s)	**19,802,710**	19,802,710	**19,802,710**	19,802,710
	1.58	0.84	**0.16**	0.10
Group does not have dilutive potential ordinary shares as at 30 June 2016 (December 2015: nil).				
16 Tax expense				
(i) **Current tax expense:**				
Minimum tax (see note 16(iii))	**450,000**	343,685	**-**	-
National Information Technology Development Agency (NITDA) levy (see note 19(iii))	**-**	-	**-**	-
Tertiary education tax (see note 16(iii))	**-**	-	**-**	-
Corporate income tax (see note 16(iii))	**170,683**	921,928	**-**	-
(ii) **Deferred tax expense:**				
Origination of temporary differences	**-**	-	**-**	-
Income tax credit /(expense)	**170,683**	921,928	**-**	-
Total tax expense	**620,683**	1,265,613	**-**	-

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
(iii) **Current income tax liability**				
Beginning of the period/year	**3,497,954**	4,363,544	**25,231**	114,246
Tax paid	**(1,906,125)**	(3,883,168)	**-**	(114,246)
Minimum tax	**450,000**	900,532	**-**	-
National Information Technology Development Agency (NITDA) levy	**-**	110,263	**-**	25,231
Tertiary education tax	**-**	124,292	**-**	-
Income tax expense	**170,683**	1,882,491	**-**	-
	2,212,512	3,497,954	**25,231**	25,231

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
17 Cash and cash equivalents				
Cash	**36,844,456**	37,662,017	**-**	-
Current balances within Nigeria	**3,071,042**	383,933	**2,452,124**	4,354,446
Current balances outside Nigeria	**102,363,588**	78,548,093	**-**	-
Placements with local banks	**3,083,840**	11,780,077	**5,295,636**	2,876,750
Placements with foreign banks	**7,814,655**	7,086,313	**-**	-
Unrestricted balances with Central banks	**1,122,404**	45,461,265	**-**	-
	154,299,985	180,921,698	**7,747,760**	7,231,196

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In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
18 Restricted reserve deposits				
Restricted mandatory reserve deposits with central banks	**151,760,973**	125,552,318	**-**	-
	151,760,973	125,552,318	**-**	-

(a) Restricted mandatory reserve deposits are not available for use in the banking subsidiary's day-to-day operations. Mandatory reserve deposits and escrow balances are non interest-bearing and are computed at different percentages (as directed by the CBN from time to time) of the banking subsidiary's deposit liabilities for private sector and public sector deposits respectively. Effective April 9, 2014 the percentage of the private sector deposit was changed from 12% to 15% and was further changed to 20% effective November 25, 2014. The percentage of public sector deposit was changed from 50% to 75% effective February 4, 2014. The rate was harmonised at 31% in May 2015 for both private and public sector deposits and dropped to 25% effective September, 2015. Currently in 2016 (effective March 22nd), the rate is at 22.5%

In thousands of Naira

19 Non-pledged trading assets	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
Federal Government of Nigeria Bonds - listed	**140,070**	591,882	**-**	-
Treasury bills - listed	**10,984,802**	1,247,395	**-**	-
Equity securities	**116,735**	155,073	**-**	-
	11,241,607	1,994,350	**-**	-

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
20 Derivative assets and liabilities held for risk management				
Instrument type				
Assets: - options	**1,856,574**	1,391,892	**-**	-
- interest rate swap	**125,871**	87,868	**-**	-
	1,982,445	1,479,760	**-**	-
Liabilities - options	**1,626,264**	1,214,104	**-**	-
- interest rate swap	**146,478**	103,167	**-**	-
	1,772,742	1,317,271	**-**	-

Customer Transactions: The banking subsidiary has entered into options on Dated Brent with customers to allow those customers hedge their exposure to the oil price
Market Transactions: The banking subsidiary has entered into back to back options on Dated Brent with regards to the customer transactions with market counterparties to mitigate the market risk exposure on the customer transactions

The banking subsidiary has not applied hedge accounting.
The fair value gains and losses have been presented in the profit or loss.

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
21 Loans and advances to customers				
(a) Loans and advances to customers at amortised cost	**663,271,915**	595,948,369	**-**	-
Finance leases at amortised cost	**15,111,332**	15,111,332	**-**	-
Less allowance for impairment	**(21,362,244)**	(18,102,284)	**-**	-
	657,021,003	592,957,417	**-**	-

Notes to the Unaudited Interim Financial Statements
For the period ended 30 June 2016

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
(b) Movement in allowances for impairment				
(i) Specific allowances for impairment				
Balance at 1 January	**11,488,991**	6,574,749	**-**	-
Impairment loss for the period/year:				
Charge for the period/year (See Note 6(a))	**8,840,050**	6,993,587	**-**	-
impairment reversals (See Note 6(a))	**(1,867,604)**	-	**-**	-
Write offs	**(3,916,794)**	(2,079,345)	**-**	-
	14,544,643	11,488,991	**-**	-
(ii) Collective allowances for impairment				
Balance at 1 January	**6,613,293**	8,820,658	**-**	-
Impairment loss for the year:				
Charge for the year (See Note 6(a))	**2,944,463**	2,881,651	**-**	-
Write offs	**(2,740,156)**	(5,089,016)	**-**	-
	6,817,601	6,613,293	**-**	-
	21,362,244	18,102,284	**-**	-

	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
22 Investment securities				
Held-to-maturity (see note (a) below)	**88,061,375**	86,518,754	**240,583**	169,466
Available-for-sale (see note (b) below)	**82,720,127**	48,791,393	**2,732,649**	1,844,155
	170,781,502	135,310,147	**2,973,232**	2,013,621
(a) Held-to-maturity investment securities				
Federal Government of Nigeria (FGN) Bonds - listed	**55,068,857**	56,088,570	**-**	-
State Government Bonds - unlisted	**13,828,491**	15,118,111	**-**	-
Treasury Bills	**-**	229,367	**-**	-
Corporate bonds - unlisted	**19,164,027**	15,082,706	**240,583**	169,466
	88,061,375	86,518,754	**240,583**	169,466
(b) Available-for-sale investment securities				
Federal Government of Nigeria (FGN) Bonds - listed	**15,284,112**	1,148,445	**-**	-
Treasury bills - listed	**58,740,990**	38,878,936	**-**	-
Equity securities measured at fair value (see note (c) below) - listed / unlisted	**3,003,497**	2,954,076	**-**	-
Unquoted equity securities measured at cost (see note (d)) - unlisted	**5,156,794**	5,538,704	**2,197,915**	1,572,923
Unclaimed dividend investment fund	**534,734**	271,232	**534,734**	271,232
	82,720,127	48,791,393	**2,732,649**	1,844,155
(c) Equity securities measured at fair value under available-for-sale investments				
Helios Towers Mauritius (HTM) Private Placement Underwriting	**1,729,924**	1,729,924	**-**	-
DAAR Communications Underwriting	**37,277**	37,277	**-**	-
Environmental Remediation Holiding Company Plc	**14,837**	10,450	**-**	-
Unity Bank Plc	**1,164**	1,253	**-**	-
UTC Nigeria Plc	**11**	11	**-**	-
Central Securities Clearing System	**24,465**	19,215	**-**	-
WAMCO	**-**	5,495	**-**	-
Financial Derivative Ltd	**10,000**	10,000	**-**	-
Industrial and General Insurance Plc	**5,445**	5,990	**-**	-
Food Concepts Limited	**2,100**	2,310	**-**	-
Zenith Bank Plc	**384,486**	342,551	**-**	-
Legacy Short Maturity Fund	**31,938**	30,250	**-**	-
Legacy Equity Fund	**47,500**	45,000	**-**	-
Standard Alliance Co Plc	**714,350**	714,350	**-**	-
	3,003,497	2,954,076	**-**	-

Notes to the Unaudited Interim Financial Statements
For the period ended 30 June 2016

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
(d) Unquoted equity securities at cost under available-for-sale investments				
Credit Reference Company Limited	**61,111**	61,111	**-**	-
Nigeria Inter-bank Settlement System Plc	**102,970**	102,970	**-**	-
Africa Finance Corporation	**2,558,388**	2,558,388	**-**	-
Rivers State Microfinance Agency	**-**	1,000,000	**-**	-
Private Equity Funds	**2,197,915**	1,572,923	**2,197,915**	1,572,923
SME Investments	**745,466**	1,087,967	**-**	-
Africa Export-Import Bank, Cario	**144,805**	144,805	**-**	-
Express Discount House	**64,415**	64,415	**-**	-
Smartcard Nigeria Plc	**22,804**	22,804	**-**	-
ATSC Investment	**50,000**	50,000	**-**	-
Currency Sorting Co	**24,640**	24,640	**-**	-
IMB Energy Master Fund	**100,000**	100,000	**-**	-
FMDQ (OTC) Plc	**30,000**	30,000	**-**	-
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	**26,940**	18,595	**-**	-
	6,129,454	6,838,618	**2,197,915**	1,572,923
Specific impairment for equities (note (e) below)	**(972,661)**	(1,299,914)	**-**	-
Carrying amount	**5,156,793**	5,538,704	**2,197,915**	1,572,923
(e) Specific allowances for impairment against Unquoted equity securities at cost under available-for-sale investments				
Balance at 1 January	**1,299,914**	1,375,312	**-**	-
Write off during the period	**(342,500)**	(75,398)	**-**	-
Charge for the period/year	**15,247**	-	**-**	-
Balance at end	**972,661**	1,299,914	**-**	-

In thousands of Naira		GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
23 Assets pledged as collateral					
The nature and carrying amounts of the non tradable financial assets pledged as collaterals are as follows:					
Treasury Bills - listed		**2,934,482**	7,934,482	**-**	-
Federal Government of Nigeria (FGN) Bonds - listed		**52,843,107**	43,843,107	**-**	-
		55,777,589	51,777,589	**-**	-
These represents pledged assets to these parties;					
Counterparties	**Reasons for pledged securities**				
Nigeria Inter-bank Settlement Plc (NIBSS)	Cards, POS transactions settlements	**2,184,482**	1,184,482	**-**	-
Interswitch Nigeria Limited	Cards, POS transactions settlements	**250,000**	250,000	**-**	-
Federal Inland Revenue Service(FIRS)	Third parties collection transactions	**1,500,000**	1,500,000	**-**	-
Central Bank of Nigeria (CBN)	Third parties clearing instruments	**15,000,000**	15,000,000	**-**	-
Bank of Industry (BOI)	On-lending facilities to customers	**14,980,800**	14,980,800	**-**	-
Standard Bank London	Borrowed funds repo transactions	**15,013,422**	12,013,422	**-**	-
Stanbic IBTC	Borrowed funds repo transactions	**6,848,885**	6,848,885	**-**	-
		55,777,589	**51,777,589**	**-**	**-**

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In thousands of Naira

24 Investment in Subsidiaries				
(a) Investment in subsidiaries comprises:				
First City Monument Bank Limited (see note (c) below)	**-**	-	**115,422,326**	115,422,326
FCMB Capital Markets Limited (see note (d) below)	**-**	-	**240,000**	240,000
CSL Stockbrokers Limited (CSLS) (see note (e) below)	**-**	-	**3,053,777**	3,053,777
CSL Trustees Limited (see note (f) below)	**-**	-	**220,000**	220,000
	-	-	**118,936,103**	118,936,103
Specific allowances for impairment	**-**	-	**(1,139,742)**	(689,742)
Carrying amount	**-**	-	**117,796,361**	118,246,361

(b) **Group entities**

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

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

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

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

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

(f) 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 inorder to recapitalise the business in line with the new SEC minimum capitalisation policy of N300m for trustee business in Nigeria.

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

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

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2016**	**31 DEC 2015**	**30 JUN 2016**	**31 DEC 2015**
25 Investment in associates				
(a) Investment in associate company:				
Balance at start of period/year	**731,964**	647,399	**418,577**	418,577
Share of profit transfer out of reserve	**-**	84,565	**-**	-
Balance at reporting date	**731,964**	731,964	**418,577**	418,577

(b) This represents the Company's 28.30% (2015: 28.30%) equity interest holding in Legacy Pension Fund Limited, a pension fund manager licensed to carry on the business of fund and pension management. The company was incorporated in April 2005 and commenced operations in May 2005. The Group acquired its initial 25% equity holding in February 2008.

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26 Property and equipment

GROUP

In thousands of Naira	Leasehold improvement and buildings	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost						
Balance at 1 January 2016	24,709,933	4,961,970	18,302,724	9,749,576	4,323,322	62,047,525
Additions during the period	524,833	342,808	1,016,532	57,160	212,057	2,153,390
Disposal during the period	(191,960)	(358,335)	(89,598)	(17,288)	-	(657,181)
Balance at reporting date	**25,042,806**	**4,946,443**	**19,229,658**	**9,789,448**	**4,535,379**	**63,543,734**
Accumulated depreciation and impairment losses						
Balance at 1 January 2016	6,146,161	3,599,510	11,911,990	8,460,560	1,958,566	32,076,787
Charge for the period (see note 12)	321,633	329,883	954,368	313,888	-	1,919,772
Eliminated on Disposal	(84,848)	(358,135)	(89,448)	(17,138)	-	(549,569)
Balance at reporting date	6,382,946	3,571,258	12,776,910	8,757,310	1,958,566	33,446,990
Carrying amounts:						
Balance at 30 June 2016	18,659,860	1,375,185	6,452,748	1,032,138	2,576,813	30,096,744
Balance at 31 December 2015	18,563,772	1,362,460	6,390,734	1,289,016	2,364,756	29,970,738

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year ended (31 December 2015: nil).
There were no restrictions on title of any property and equipment.
There were no property and equipment pledged as security for liabilities.
There were no contractual committments for the acquisition of property and equipment.

COMPANY

In thousands of Naira	Leasehold improvement and buildings	Motor vehicles	Furniture, fittings and Equipment	Computer equipment	Capital Work in progress	Total
Cost						
Balance at 1 January 2016	5,181	61,226	7,634	3,205	-	77,246
Additions during the period	-	54,050	-	-	-	54,050
Disposal during the period	-	(21,593)	-	-	-	(21,593)
Balance at reporting date	5,181	93,683	7,634	3,205	-	109,703
Accumulated depreciation and impairment losses						
Balance at 1 January 2016	1,159	29,442	3,962	1,420	-	35,983
Charge for the period (see note 12)	259	10,451	917	364	-	11,991
Eliminated on Disposal	-	(21,393)	-	-	-	(21,393)
Balance at reporting date	1,418	18,500	4,879	1,784	-	26,581
Carrying amounts:						
Balance at 30 June 2016	3,763	75,183	2,755	1,421	-	83,122
Balance at 31 December 2015	4,022	31,784	3,672	1,785	-	41,263

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period ended (31 December 2015: nil).
There were no restrictions on title of any property and equipment.
There were no property and equipment pledged as security for liabilities.
There were no contractual committments for the acquisition of property and equipment.

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	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
27 Intangible assets				
(a) **Software**				
Cost				
Beginning of the period/year	**5,491,892**	3,645,396	**3,851**	3,851
Additions during the period/year	**241,847**	542,269	**-**	-
Work-in-porgress	**-**	1,297,032	**-**	-
Translation difference	**(723)**	7,195	**-**	-
End of the period/year	**5,733,016**	5,491,892	**3,851**	3,851
Amortisation				
Beginning of the period/year	**2,828,681**	2,292,156	**2,006**	1,043
Charge for the period/year (see note 12)	**276,979**	530,897	**481**	963
Translation difference	**(664)**	5,628	**-**	-
End of the period/year	**3,150,453**	2,828,681	**2,487**	2,006
Carrying amount	**2,582,563**	2,663,211	**1,364**	1,845
(b) **Goodwill**				
Beginning of the period/year	**6,305,328**	6,995,070	**-**	-
Impairment charge	**(311,465)**	(689,742)	**-**	-
At end of the period/year	**5,993,863**	6,305,328	**-**	-
	8,576,426	8,968,539	**1,364**	1,845

(c) Goodwill is reviewed annually or more frequently for impairment when there are objective indicators that impairment may have occurred by comparing the carrying value to its recoverable amount. Impairment charge of N311.47m was taken during the period ended (31 December 2015:N689.74m).

(d) There were no capitalised borrowing costs related to the acquisition to any internal development of software during the period (31 December 2015: nil)

In thousands of Naira

28 Deferred tax assets and liabilities

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

Deferred tax assets and liabilities are attributable to the following:

Group

	Assets (30 JUN 2016)	Liabilities (30 JUN 2016)	Net (30 JUN 2016)	Assets (31 DEC 2015)	Liabilities (31 DEC 2015)	Net (31 DEC 2015)
Property and equipment	1,123,547	(62,017)	1,061,530	1,147,797	(56,155)	1,091,642
Defined benefits	194,311	-	194,311	157,779	-	157,779
Allowances for loan losses	2,327,073	58,840	2,385,913	2,339,356	(12,283)	2,327,073
Unrelieved loss carried forward	4,521,309	-	4,521,309	4,521,309	-	4,521,309
Net tax assets/ (liabilities)	8,186,452	(64,952)	8,163,063	8,166,241	(68,438)	8,097,803

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
29 Other assets				
(a) Other financial assets:				
Accounts receivables	**40,665,400**	34,198,432	**100,000**	1,420,000
(b) Other non-financial assets:				
Prepayments	**10,977,307**	4,469,162	**10,142**	5,398
Consumables	**656,299**	578,609	**-**	-
	52,299,006	39,246,203	**110,142**	1,425,398
Less specific allowances for impairment (note (c) below)	**(16,209,486)**	(17,542,788)	**-**	-
	36,089,520	21,703,415	**110,142**	1,425,398
(c) **Movement in impairment on other assets**				
At start of the year	**17,542,788**	11,368,523	**-**	-
Increase in impairment (see note 6 (b))	**4,119,089**	5,494,359	**-**	-
Reinstatement of impairment previously written off	**-**	750,000	**-**	-
Amounts written off	**(5,451,921)**	(70,094)	**-**	-
At year end	**16,209,486**	17,542,788	**-**	-

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In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
30 Deposits from banks				
Other deposits from banks	**41,897,518**	5,461,038	**-**	-
	41,897,518	5,461,038	**-**	-

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

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
31 Deposits from customers				
Term deposits	**200,789,795**	252,646,384	**-**	-
Current deposits	**357,285,283**	334,841,832	**-**	-
Savings	**131,270,217**	112,728,490	**-**	-
	689,345,295	700,216,706	**-**	-

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
32 Borrowings				
(a) Borrowing comprise:				
Standard Bank, London	**14,066,502**	9,981,231	**-**	-
International Finance Corporation (IFC)	**1,886,467**	1,668,644	**-**	-
International Finance Corporation (IFC)	**4,716,168**	4,171,610	**-**	-
International Finance Corporation (IFC)	**12,479,938**	10,009,976	**-**	-
International Finance Corporation (IFC)	**9,284,953**	7,507,482	**-**	-
International Finance Corporation (IFC)	**6,685,166**	6,306,771	**-**	-
Netherlands Development Finance Company (FMO)	**6,288,222**	4,993,001	**-**	-
Netherlands Development Finance Company (FMO)	**6,288,222**	4,993,001	**-**	-
Netherlands Development Finance Company (FMO)	**2,829,700**	1,996,302	**-**	-
European Investment Bank (EIB)	**9,403,346**	6,585,303	**-**	-
Standard Bank, S.A	**7,174,250**	5,016,923	**-**	-
Standard Bank, London	**1,525,208**	1,284,167	**-**	-
Citibank, Nigeria	**3,537,125**	4,989,806	**-**	-
Citibank, N.A (OPIC)	**18,493,050**	14,947,402	**-**	-
Commerzbank Led Syndicated Facility	**21,888,690**	15,424,233	**-**	-
Engr. Tajudeen Amoo	**1,247,471**	1,833,302	-	-
Financial Derivatives Company Limited	**286,480**	268,980	-	-
First City Asset Management (FCAM)	**9,794,175**	8,236,220	-	-
Taiwo Bello	**32,889**	-	-	-
Temitope Popoola	**-**	29,000	-	-
Living Faith	**4,519,608**	3,456,840	-	-
	142,427,630	113,700,194	**-**	-

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
(b) Movement in borrowings account during the year was as follows:				
Balance, beginning of the period/year	**113,700,194**	99,900,684	**-**	-
Additions during the period/year	**2,210,386**	28,420,884	**-**	-
Repayments during the period/year	**(2,382,280)**	(14,742,847)	**-**	-
Translation difference	**28,899,330**	121,473	**-**	-
	142,427,630	113,700,194	**-**	-

Notes to the Unaudited Interim Financial Statements
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In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
33 On-lending facilities (see note (a) below)				
Bank of industry (BOI)	**21,874,998**	21,452,038	**-**	-
Commercial Agriculture Credit Scheme (CACS)	**8,998,286**	10,529,310	**-**	-
Micro, Small and Medium Enterprises Development Fund (MSMEDF)	**2,517,484**	1,864,768	**-**	-
	33,390,768	33,846,116	**-**	-

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

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

	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
(b) Movement in on-lending facilities during the year was as follows:				
Balance, beginning of the period/year	**33,846,116**	14,913,521	**-**	-
Additions during the period/year	**2,323,461**	19,969,442	**-**	-
Repayments during the period/year	**(2,778,809)**	(1,036,847)	**-**	-
Balance, end of the period/year	**33,390,768**	33,846,116	**-**	-

	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
34 Debt securities issued				
Debt securities at amortised cost:				
Bond issued (see note (a) below)	**49,209,867**	49,309,394	**-**	-
	49,209,867	49,309,394	**-**	-

(a) The amount of N49.21billion (2015: N49.31 billion) represents the amortised cost of additional N23.19billon and N26billion, 5 year, 15% and 7 year, 14.25% unsecured corporate bond issued at par in November 2015 and November 2014 respectively. The Principal amount is repayable in November 2020 and November 2021 respectively, while the coupon is paid semi-annually. The amount represents the first and second trenches of a N100 billion debt issuance programme. The Group has not had any defaults of principal or interest or other breaches with respect to its debt securities during the period ended 30 June 2016 (2015:nil).

	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
(b) Movement in Debt securities issued during the year was as follows:				
Balance, beginning of the period/year	**49,309,394**	26,000,000	**-**	-
Accrued coupon interest for the period/year	**848,596**	174,186	**-**	-
Additions during the period/year	**-**	23,135,208	**-**	-
Repayments during the period/year	**(948,123)**	-	**-**	-
Balance, end of the period/year	**49,209,867**	49,309,394	**-**	-

35 Retirement benefit obligations

Defined contribution scheme

The group and its employees make a joint contribution of 15% basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators. During the year, The Group has complied with the new Pension reform Act 2014 and up to date payment of the new reviewed employer contribution of 10% remitted while employees remains at 8%.

	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
Total contributions to the scheme for the year were as follows:				
Balance at start of period/year	**50,544**	115,056	**-**	-
Charged to profit or loss (see note 11)	**304,869**	683,196	**4,047**	8,640
Employee contribution	**70,956**	958,440	**3,238**	6,912
Total amounts remitted	**(304,210)**	(1,706,148)	**(7,285)**	(15,552)
At period/year end	**122,159**	50,544	**-**	-

Notes to the Unaudited Interim Financial Statements
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In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
36 Other liabilities				
(a) Other financial liabilities:				
Customers' deposit for letters of credits	**74,020,105**	12,868,864	**-**	-
Bank cheques/drafts	**3,645,804**	3,464,642	**-**	-
Accounts payable - negotiated letters of credits	**12,361,360**	26,500,628	**-**	-
Accounts payable - others	**53,287,849**	42,187,211	**152,637**	104,304
Accounts payable - unclaimed dividend	**496,955**	255,039	**496,955**	255,039
	143,812,073	85,276,384	**649,592**	359,343
(b) Other non-financial liabilities:				
Deferred income	**96,789**	147,354	**-**	-
Accrued expenses	**873,417**	1,372,513	**70,260**	216,377
Provision	**3,721,595**	2,878,983	**457,447**	427,317
	4,691,801	4,398,850	**527,707**	643,694
	148,503,874	89,675,234	**1,177,299**	1,003,037

In thousands of Naira	GROUP 30 JUN 2016	GROUP 31 DEC 2015	COMPANY 30 JUN 2016	COMPANY 31 DEC 2015
37 Share capital				
(a) **Authorised**				
30billion ordinary shares of 50k each (2015: 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 (2015: 19.8billion)	**9,901,355**	9,901,355	**9,901,355**	9,901,355

38 Share premium and reserves

(a) There was no movement in the Share premium during the current period and prior year

Share premium	**115,392,414**	115,392,414	**115,392,414**	115,392,414

(b) Other reserves comprises of:

Statutory reserve (see note (d) below)	**7,007,918**	6,014,583	**-**	-
Translation reserve (see note (j) below)	**4,904,322**	1,576,155	**-**	-
Available for sale reserve (see note (f) below)	**(557,570)**	1,389,402	**-**	-
Regulatory risk reserve (see note (g) below)	**10,935,941**	10,935,941	**-**	-
	22,290,611	19,916,081	**-**	-

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

(c) **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.

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

(d) **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.

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

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

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

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

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

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

Notes to the Unaudited Interim Financial Statements
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39 Contingencies, claims and litigation;

(a) Contingent liabilities and commitments

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

Nature of instruments

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

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

	GROUP		COMPANY	
In thousands of Naira	**30 JUN 2016**	**31 DEC 2015**	**30 JUN 2016**	**31 DEC 2015**
Performance bonds and guarantees	**95,258,715**	82,687,009	**-**	-
Clean line letters of credit	**78,506,128**	58,344,519	**-**	-
	173,764,843	141,031,528	**-**	-
Other commitments	**1,082,481**	1,030,672	**-**	-
	174,847,324	142,062,200	**-**	-

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

Notes to the Unaudited Interim Financial Statements
For the period ended 30 June 2016

40 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 40 (b) below.

(b) Subsidiaries:

Transactions between FCMB Group Plc and its subsidiaries which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 30 June 2016 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%	115,422,326	Nigeria	Banking
(2) FCMB Capital Markets Limited	Direct	100%	240,000	Nigeria	Capital Market
(3) CSL Stockbrokers Limited (CSLS)	Direct	100%	3,053,777	Nigeria	Stockbroking
(4) CSL Trustees Limited (CSLT)	Direct	100%	220,000	Nigeria	Trusteeship
(5) Credit Direct Limited (CDL)	Indirect	100%	366,210	Nigeria	Micro-lending
(6) FCMB (UK) Limited (FCMB UK)	Indirect	100%	7,791,147	United Kingdom	Banking
(7) First City Asset Management Limited (FCAM)	Indirect	100%	50,000	Nigeria	Asset Management
(8) FCMB Financing SPV Plc.	Indirect	100%	250	Nigeria	Capital Raising

(c) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The carrying amounts of Group subsidiaries' assets and liabilities are N1,294.76billion and N1,127.37billion respectively (31 December 2015: N1,167.03billion and N1,014.05billion respectively).

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

(d) Condensed Financial Information

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

RESULTS OF OPERATIONS	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Operating income	2,452,143	59,203,656	361,223	506,990	137,249	62,661,261	(150,000)	62,511,261
Operating expenses	(443,837)	(31,549,989)	(279,695)	(411,147)	(49,489)	(32,734,157)	-	(32,734,157)
Provision expense	(450,000)	(12,959,016)	4,795	(84,053)	-	(13,488,274)	-	(13,488,274)
Profit /(loss) before tax	**1,558,306**	**14,694,651**	**86,323**	**11,790**	**87,760**	**16,438,830**	**(150,000)**	**16,288,830**
Tax	-	(538,657)	(28,487)	(24,578)	(28,961)	(620,683)	-	(620,683)
Profit after tax	**1,558,306**	**14,155,994**	**57,836**	**(12,788)**	**58,799**	**15,818,147**	**(150,000)**	**15,668,147**
Other comprehensive income	-	1,327,579	-	53,616	-	1,381,195	-	1,381,195
Total comprehensive income for the period	**1,558,306**	**15,483,573**	**57,836**	**40,828**	**58,799**	**17,199,342**	**(150,000)**	**17,049,342**

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FINANCIAL POSITION	FCMB GROUP PLC	FCMB LIMITED GROUP	FCMB CM LIMITED	CSL STOCKBROKERS LIMITED GROUP	CSL TRUSTEES LIMITED	TOTAL	CONSOLIDATION JOURNAL ENTRIES	GROUP
Assets								
Cash and cash equivalents	7,747,760	150,654,623	945,426	1,725,548	2,907,458	163,980,815	(9,680,830)	154,299,985
Restricted reserve deposits	-	151,760,973	-	-	-	151,760,973	-	151,760,973
Non-pledged trading assets	-	11,124,872	116,735	-	-	11,241,607	-	11,241,607
Derivative assets held for risk management	-	1,982,445	-	-	-	1,982,445	-	1,982,445
Loans and advances to customers	-	666,075,458	137,619	114,384	16,042	666,343,503	(9,322,500)	657,021,003
Assets pledged as collateral	-	55,777,589	-	-	-	55,777,589	-	55,777,589
Investment securities	2,973,232	155,756,003	67,788	11,392,512	591,967	170,781,502	-	170,781,502
Investment in subsidiaries	117,796,361	-	-	-	-	117,796,361	(117,796,361)	-
Investment in associates	418,577	-	-	-	-	418,577	313,387	731,964
Property and equipment	83,122	29,915,737	53,407	36,574	7,904	30,096,744	-	30,096,744
Intangible assets	1,364	8,537,747	-	37,315	-	8,576,426	-	8,576,426
Deferred tax assets	-	8,166,241	20,211	-	-	8,186,452	-	8,186,452
Other assets	110,142	35,867,691	206,830	701,109	63,956	36,949,728	(860,208)	36,089,520
	129,130,558	**1,275,619,379**	**1,548,016**	**14,007,442**	**3,587,327**	**1,423,892,722**	**(137,346,512)**	**1,286,546,210**
Financed by:								
Derivative liabilities held for risk management	-	1,772,742	-	-	-	1,772,742	-	1,772,742
Deposits from banks	-	41,897,518	-	-	-	41,897,518	-	41,897,518
Deposits from customers	-	699,026,125	-	-	-	699,026,125	(9,680,830)	689,345,295
Borrowings	-	142,427,630	-	9,322,500	-	151,750,130	(9,322,500)	142,427,630
On-lending facilities	-	33,390,768	-	-	-	33,390,768	-	33,390,768
Debt securities issued	-	49,209,867	-	-	-	49,209,867	-	49,209,867
Retirement benefit obligations	-	120,142	2,017	-	-	122,159	-	122,159
Current income tax liabilities	25,231	1,991,130	142,679	24,511	28,961	2,212,512	-	2,212,512
Deferred tax liabilities	-	3,177	25,244	34,986	1,545	64,952	-	64,952
Other liabilities	1,177,299	141,869,319	204,459	2,722,851	3,151,700	149,125,628	(621,754)	148,503,874
Share capital	9,901,355	2,000,000	500,000	943,576	50,000	13,394,931	(3,493,576)	9,901,355
Share premium	115,392,414	100,846,690	-	1,733,250	170,000.00	218,142,354	(102,749,940)	115,392,414
Retained earnings	2,634,259	27,755,171	673,617	(763,687)	185,121	30,484,481	(469,968)	30,014,514
Other reserves	-	33,309,100	-	(10,545)	-	33,298,555	(11,007,944)	22,290,611
	129,130,558	**1,275,619,379**	**1,548,016**	**14,007,442**	**3,587,327**	**1,423,892,722**	**(137,346,512)**	**1,286,546,210**
Acceptances And Guarantees	**-**	**174,847,324**	**-**	**-**	**-**	**174,847,324**	**-**	**174,847,324**