FIDELITY BANK PLC

CONDENSED UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS

MARCH 2017

FIDELITY BANK PLC

STATEMENT TO THE SECURITY AND EXCHANGE COMMISSION ON THE BANK'S UNAUDITED RESULTS FOR THE PERIOD ENDED 31 MARCH 2017
INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2017

	NOTE	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
Gross Earnings		**40,842**	**34,365**	**152,021**
Interest and similar income	4	36,230	29,204	123,153
Interest and similar expense	5	(19,673)	(13,100)	(61,225)
Net interest income		**16,557**	**16,104**	**61,928**
Impairment charge for credit losses	6	(750)	(739)	(8,671)
Net interest income after impairment charge for credit losses		**15,807**	**15,365**	**53,257**
Fee and commission income	7	4,600	4,856	20,557
Fee and commission expense	7	(1,128)	(495)	(3,238)
Net gains / (losses) from financial instruments classified as held for trading	8	(77)	35	(625)
Net gains/(losses) on investment securities	9	-	-	-
Other operating income	10	12	305	8,311
Other operating expenses	11	(14,365)	(16,041)	(67,201)
Share of profit / (loss) of associates accounted for using the equity method				
Profit before income tax from continuing operations		**4,849**	**4,025**	**11,061**
Profit before income tax from continuing operations		4,849	4,025	11,061
Income tax expense from continuing operations		(533)	(443)	(1,327)
Profit after income tax from continuing operations		**4,316**	**3,583**	**9,734**
PROFIT FOR THE PERIOD		**4,316**	**3,583**	**9,734**
Profit attributable to:				
Equity holders of the bank		4,316	3,583	9,734
Non-controlling interests				
Earnings per share for profit attributable to owners of the parent				
Basic (kobo)	**12**	**15**	**12**	**34**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 12TH APRIL 2017

NNAMDI OKONKWO
MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER
FRC/2013/ICANI/00000006963

VICTOR ABEJEGAH
CHIEF FINANCIAL OFFICER
FRC/2013/ICAN/00000001733

FIDELITY BANK PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017

	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
PROFIT FOR THE PERIOD	**4,316**	**3,583**	**9,734**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Net gains/(losses) on Available-for-sale financial assets	-	-	-
- Unrealised net gains/(losses) arising during the period	(1,037)	(3,512)	(2,308)
- Net reclassification adjustments for realised net gains/(losses)	-	-	(906)
Tax effect of revaluation of equity financial assets	-	-	-
Items that may not be reclassified subsequently to profit or loss			
Remeasurement Gains/(losses)	-	-	-
Share of other comprehensive income of associates	-	-	-
Tax effect of other comprehensive income of associates	-	-	-
Other comprehensive income for the period, net of tax	**(1,037)**	**(3,512)**	**(3,214)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,279**	**71**	**6,520**
Total comprehensive income attributable to:			
Equity holders of the bank			
Non-controlling interests			

FIDELITY BANK PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
ASSETS				
Cash and balances with central banks	13,14	219,006	240,948	207,061
Due From Banks		44,690	53,173	49,200
Loans and advances to customers	15	730,448	590,133	718,401
Investments:				
Held for trading(Fair value through profit and loss)	16	16,001	10,873	18,098
Available for sale	16	78,435	126,349	88,586
Held to maturity	16	145,926	168,131	138,134
Property and equipment		39,166	40,544	41,151
Intangible assets				
Deferred tax asset				
Other assets	17	37,183	51,089	37,510
TOTAL ASSETS		**1,310,854**	**1,281,240**	**1,298,141**
LIABILITIES				
Deposits from customers	18	800,247	784,549	792,971
Current income tax liability		1,327	2,332	1,327
Deferred income tax liability		-	876	-
Other liabilities	19	54,463	62,981	58,315
Liabilities included in assets classified as held for sale				
Retirement benefit obligations		-	9,189	-
Other Borrowed Funds	20	44,196	51,854	37,219
On-Lending Facilities	21	100,671	97,161	101,091
Debt Issued Securities	22	120,736	88,269	121,816
TOTAL LIABILITIES		**1,121,640**	**1,097,211**	**1,112,739**
EQUITY				
Share capital		14,481	14,481	14,481
Share premium		101,272	101,272	101,272
Retained earnings		30,767	12,822	25,918
Other reserves				
Statutory reserve		24,476	23,016	24,476
SSI Reserve		764	764	764
Contingency reserve		-	-	-
Non-distributable reserve		16,271	33,480	16,271
Revaluation reserve		1,183	(1,806)	2,220
		189,214	**184,029**	**185,402**
Non-controlling interest				
Total equity		**189,214**	**184,029**	**185,402**
TOTAL EQUITY & LIABILITIES		**1,310,854**	**1,281,240**	**1,298,141**

Fidelity Bank Plc

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017

	Attributable to equity holders								
	Share capital N'million	Share premium N'million	Retained earnings N'million	Statutory reserve N'million	Small scale investment reserve N'million	Contingency reserve N'million	NDR N'million	Revaluation reserve N'million	Total equity N'million
At 1 January 2016	**14,481**	**101,272**	**8,797**	**23,016**	**764**	**-**	**33,480**	**1,706**	**183,516**
Profit for the year	-	-	9,734	-	-	-	-	-	9,734
Other comprehensive income									
Unrealised net gains/(losses) arising during the year	-	-	-	-	-	-	-	(2,308)	(2,308)
Net reclassification adjustments for realised net gains/(losses)	-	-	-	-	-	-	-	(906)	(906)
Arising during the year	-	-	-	-	-	-	-	-	-
Actuarial losses (Note 27)	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**9,734**	**-**	**-**	**-**	**-**	**(3,214)**	**6,520**
Dividend	-	-	(4,634)	-	-	-	-	-	(4,634)
Transfer between reserves	-	-	12,021	1,460	-	-	(17,209)	3,728	-
At 31 December 2016	**14,481**	**101,272**	**25,918**	**24,476**	**764**	**-**	**16,271**	**2,220**	**185,402**
Profit for the year	-	-	4,849	-	-	-	-	-	4,849
Other comprehensive income									-
Unrealised net gains/(losses) arising during the year	-	-	-	-	-	-	-	(1,037)	(1,037)
Net reclassification adjustments for realised net gains/(losses)	-	-	-	-	-	-	-	-	-
Arising during the year	-	-	-	-	-	-	-	-	-
Actuarial losses (Note 27)	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**4,849**	**-**	**-**	**-**	**-**	**(1,037)**	**3,812**
Dividend	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	-	-	-	-	-
									-
At 31 March 2017	**14,481**	**101,272**	**30,767**	**24,476**	**764**	**-**	**16,271**	**1,183**	**189,214**

STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 MARCH 2017

Fidelity

	Note	31 March 2017 N'million	31 December 2016 N'million
Operating Activities			
Cash flow generated/ (used in) from operations		(3,890)	(89,585)
Income taxes paid		-	(2,332)
Interest received		42,332	105,595
Retirement benefits paid		-	(10,839)
Interest paid		(15,745)	(59,746)
Net cash flows (used)/ from operating activities		**22,698**	**(56,907)**
Investing activities			
Purchase of property, plant and equipment		(812)	(4,502)
Proceeds from sale of property and equipment		27	52
Purchase of intangible assets		-	(143)
Proceeds from sale of unquoted securities		-	-
Purchase of AFS and HTM financial assets		(118,170)	(114,625)
Redemption of HTM financial assets at maturity		12,666	18,637
Proceeds from sale of AFS financial assets		77,741	160,172
Dividend received		-	68
Net cash flows (used)/from investing activities		**-28,548**	**59,659**
Financing activities			
Dividend paid		-	(4,634)
Repayment of long term borrowings		(2,298)	(30,399)
Proceeds of debt issued and other borrowed funds		10,019	-
Net cash flows from Financing activities		**7,721**	**(35,033)**
Increase in cash and cash equivalents		1,871	(32,281)
Cash and cash equivalents at begining of year		**86,015**	**114,135**
Net foreign exchange difference on cash and cash equivalents		-	4,161
Cash and cash equivalents at end of year	**14**	**87,886**	**86,015**

1. General information

These financial statements are the financial statements of Fidelity Bank Plc (the "Bank"), a company incorporated in Nigeria on 19 November 1987.

The registered office address of the Bank is at Fidelity Place, 1 Fidelity Bank Close Off Kofo Abayomi Street, Victoria-Island, Lagos, Nigeria.

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Fidelity Bank Plc provides a full range of financial services including investment, commercial and retail banking.

2. Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

2.1.1 Basis of preparation

Statement of Compliance

The Bank's financial statements for the first quarter ending 31st March 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Additional information required by national regulations is included where appropriate.

The quarterly financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and the notes.

The quarterly financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets and financial liabilities measured at fair value.

The quarterly financial statements are presented in Naira, which is the Bank's presentation currency. The figures shown in the financial statements are stated in Naira millions.

2.1.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosure, as well as the disclosure of contingent liability about these assumption and estimates that could result in outcome that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Management discusses with the Audit Committee the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates.

ESTIMATES AND ASSUMPTIONS

The key assumption concerning the future and other key sources of estimation uncertainly at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Bank based its assumption and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

Going Concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Allowances for credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy Note 2.7

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

Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans with similar economic characteristics when there is objective evidence to suggest that they contain impaired loans, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimate of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are made.

Fair value of financial instruments

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy Note 2.4 (E) For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Retirement benefit obligation

The cost of the defined benefit plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long–term nature of these plans, such estimates are subject to significant uncertainty.

JUDGEMENTS

In the process of applying the Bank's accounting policies, management has made the following judgements, which have significant effect on the amount recognised in the financial statements:

Depreciation and carrying value of property, plant and equipment

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

Determination of impairment of property, plant and equipment, and intangible assets

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

Determination of collateral Value

Management monitors market value of collateral in a regular basis. Management uses its experienced judgement on independent opinion to adjust the fair value to reflect the current circumstances. The amount and collateral required depend on the assessment of credit risk of the counterpart.

The Directors believes that the underlying assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes.

2.3 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The financial statements are presented in Naira millions, which is the Bank's presentation currency.

(b) Transactions and balances
Foreign currency transactions (i.e. transactions denominated, or that require settlement, in a currency other than the functional currency) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are included in other comprehensive income.

2.4 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities - which include derivative financial instruments - have to be recognised in the statement of financial position and measured in accordance with their assigned category.

A) Initial recognition and measurement
Financial instruments at fair value through profit or loss are initially recognised at fair value while transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, are recognised immediately through profit or loss. Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial instruments are recognised or derecognised on the date that the financial instrument is delivered to or by the Bank (settlement date accounting).

The Bank does not currently apply hedge accounting.

B) Subsequent measurement
Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

C) Classification and related measurement
Management determines the classification of its financial instruments at initial recognition. Reclassification of financial assets are permitted in certain instances as discussed below.

i) Financial assets
The Bank classifies its financial assets in terms of the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity financial assets; and available-for-sale financial assets.

a) Financial assets 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 Bank as fair value through profit or loss upon initial recognition (the so-called "fair value option"). At the reporting dates covered by these financial statements, financial assets at fair value through profit or loss comprise financial assets classified as held for trading only. Management did not apply the fair value option to any financial assets existing at these dates.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

Financial instruments included in this category are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in 'Net gains / (losses) from financial instruments at fair value' in the Statement of comprehensive income. Interest income and dividend income on financial assets held for trading are included in 'Interest income' and 'Other operating income' respectively.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Bank intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as fair value through profit or loss;
- those that the Bank upon initial recognition designates as available-for-sale; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are subsequently measured at amortised cost using the effective interest rate method. Interest income is included in 'Interest income' in the Statement of comprehensive income. Refer to accounting policy 2.7 for the impairment of financial assets.

c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity, other than:

- those that the Bank upon initial recognition designates as fair value through profit or loss;
- those that the Bank upon initial recognition designates as available-for-sale; or
- those that meet the definition of loans and receivables.

These financial assets are subsequently measured at amortised cost using the effective interest rate method. Interest income is included in 'Interest income' in the Statement of comprehensive income. Refer to accounting policy 2.8 for the impairment of financial assets.

d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through profit or loss. No financial assets designated as available-for-sale exist at any of the reporting dates covered by these financial statements.

Available-for-sale financial assets are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive income. Interest calculated using the effective interest method is recognised in 'Interest income', with dividend income included in 'Other operating income'. When available-for-sale financial assets are sold or impaired, the cumulative gain or loss recognised in a separate reserve in equity are reclassified to profit or loss.

ii) Financial liabilities
Financial liabilities are classified as at fair value through profit or loss (including financial liabilities held for trading and those designated at fair value through profit or loss) and financial liabilities at amortised cost. The Bank only has financial liabilities at amortised cost.

a) Financial liabilities at amortised cost
Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

D) Reclassification of financial assets
The Bank 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 Bank 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 Bank 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.

E) Determination of fair value
At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges and broker quotes.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Bank, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, foreign exchange rates, volatilities and counterparty spreads) existing at the reporting dates.

For more complex instruments, the Bank 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 (including those with embedded derivatives) 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 output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Bank holds. Valuations may therefore be adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary.

F) Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Bank tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the Statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.6 Revenue recognition

Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'Interest income' and 'Interest expense' in the Statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised estimated cash flows.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party, are recognised on completion of the underlying transaction.

Income from bonds or guarantees and letters of credit

Income from bonds or guarantees and letters of credit are recognised on a straight line basis over the life of the bond or guarantee.

Dividend income

Dividends are recognised in the Statement of Comprehensive Income in 'Other income' when the entity's right to receive payment is established.

2.7 Impairment of financial assets

(i) Assets carried at amortised cost

The Bank assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:
· Delinquency in contractual payments of principal or interest;
· Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
· Breach of loan covenants or conditions;
· Initiation of bankruptcy proceedings;
· Deterioration of the borrower's competitive position;
· Deterioration in the value of collateral;
· Downgrading below investment grade level;
· Significant financial difficulty of the issuer or obligor;
· A breach of contract, such as a default or delinquency in interest or principal payments;
· The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
· It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
· The disappearance of an active market for that financial asset because of financial difficulties; and
· Observable data indicating that there is an 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: adverse changes in the payment status of borrowers in
the portfolio; and national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Bank 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 Bank 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 profit or loss. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

For the purposes of a collective evaluation of impairment, financial assets are Banked on the basis of similar credit risk characteristics (i.e. on the basis of the Bank'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 Banks 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 Banks of assets are reflected and 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 Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision 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 on financial assets are included in profit or loss within 'Impairment charges '.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. Where an available-for-sale asset, which has been re-measured to fair value directly through equity, is impaired, the impairment loss is recognised in profit or loss. If any loss on the financial asset was previously recognised directly in equity as a reduction in fair value, the cumulative net loss that had been recognised in equity is transferred to profit or loss and is recognised as part of the impairment loss. The amount of the loss recognised in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognised impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised in the income statement, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

2.8 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test may also be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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. An impairment loss in respect of goodwill is not reversed.

2.9 Share-based payments

The Bank operates a share scheme which enables employees of the Bank to acquire shares in the Bank. The shares are bought on loan account and the fair value is calculated as the difference between the price paid and the fair value of the shares. The share vests immediately and the post vesting conditions are included in the valuation.

2.10 Statement of cash flows

The Statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities. Cash and cash equivalents include highly liquid investments.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

The cash flows from investing and financing activities are determined by using the direct method. The Bank's assignment of the cash flows to operating, investing and financing category depends on the Bank's business model (management approach). Interest and dividends received and interest paid are classified as operating cash flows, while dividends paid are included in financing activities.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents include cash and non-restricted balances with central bank.

2.12 Leases

Leases are divided into finance leases and operating leases.

(a) The company is the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Leases of assets where the Bank has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in 'Deposits from banks' or 'Deposits from customers' depending on the counter party. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties acquired under finance leases are measured subsequently at their fair value.

(b) The company is the lessor

(i) Operating lease

When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

(ii) Finance lease
When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

2.13 Property, plant and equipment

Land and buildings comprise mainly branches and offices. All property and equipment used by the Bank is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to 'Other operating expenses' during the financial period in which they are incurred.

Land included in leasehold land and buildings is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:
- Leasehold buildings: Depreciated over the lease period
- Leasehold improvements: The lower of useful life and lease period
- Motor vehicles: 4 years
- Furniture and fittings: 5 years
- Computer equipment: 5 years

-Office equipment: 5 years

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in 'Other operating expenses' in profit or loss.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment. Payments in advance for items of property and equipment are included as Prepayments in "Other Assets" and upon delivery are reclassified as additions in the appropriate category of property and equipment.

2.14 Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank, are recognised as intangible assets when the following criteria are met:

· it is technically feasible to complete the software product so that it will be available for use;
· management intends to complete the software product and use or sell it;
· there is an ability to use or sell the software product;

· it can be demonstrated how the software product will generate probable future economic benefits;

· adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

· the expenditure attributable to the software product during its development can be reliably measured.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets are amortised on the straight-line basis over 5 years and are carried at cost less any accumulated amortisation and any accumulated impairment losses.

2.15 Income taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in arriving at profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax
The current income tax charge is calculated on the basis of the applicable tax laws enacted or substantively enacted at the reporting date in the respective jurisdiction.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxables entities where there is an intention to settle the balance on a net basis.

2.17 Provisions
Provisions for restructuring costs and legal claims are recognised when: the Bank 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 Bank recognises no provisions for future operating losses.

2.18 Financial guarantee contracts

A financial guarantee contract is a contract that requires the Bank (issuer) 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 original or modified terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee liabilities are initially recognised at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment, when a payment under the guarantee has become probable, and the unamortised premium.

2.19 Share capital

(a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholders.

Dividends for the year that are declared after the date of the 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 Company and Allied Matters Act.

2.20 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where IAS 8 applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

3.0 Segment Reporting

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which seperate financial information is availble that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. The bank has determined the (Executive Committe) as its chief operating decision maker.

IFRS 8.20 states that an entity shall diclose information to enable users of its financial statements to evaluate the nature and financial effects of the types of business activities in which it engages and the economic environments in which it operates. Following the management approach to IFRS 8, operating segments are reported in accordance with the internal reports provided to the Bank's Managing Director (the chief operating decision maker). The fllowing summary describes each of the bank's reportable segments.

Retail banking
The retail banking segment offers a comprehensive range of retail, personal and commercial services to individuals, small and medium business customers including a variety of E-Business products to serve the retail banking segment.

Corporate banking
The corporate banking segment offers a comprehensive range of commercial and corporate banking services to the corporate business customers including other meduim and large business customers. The segment covers Power and infrastructure, Oil and Gas Upstream and Downstream, Real Estate, Agro-Allied and other industries.

Investment banking
The bank's investment banking segment is involved in the funding and management of the bank's securities, trading and investment decisions on asset management with a view of maximising the bank's shareholders returns.

Public Sector
The Public sector offers a wide variety to governments of various levels including parastatals, ministries, departments and other agencies.

4.0 Interest and similar income	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Loans and advances to customers	25,519	19,741	88,065
Treasury bills and other investment securities:			
-Held For Trade	1,246	1,282	2,685
-Available For Sale	4,527	2,707	12,014
-Held To Maturity	3,595	4,294	15,537
Advances under finance lease	1,271	1,057	4,650
Placements and short term funds	72	122	202
	36,230	29,204	123,153

5.0 Interest and similar expense	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Term deposits	13,300	8,783	38,491
Debt issued and other borrowed funds	3,769	3,029	15,262
Current accounts	952	219	1,687
Savings deposits	1,648	1,061	5,297
Inter-bank takings	4	7	488
	19,673	13,100	61,225

6.0 Impairment charge	(750)	(739)	(8,671)

7.0 Net fee and commission income	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Commision on E-banking activities	706	2,059	6,661
Maintenance charge	542	414	1,737
Commission on travellers cheque and foreign bills	373	366	1,662
Commision and fees on banking services	232	205	924
Commision and fees on NXP	29	207	560
Credit related fees	243	222	987
ATM charges	853	356	2,588
Remittance fees	69	196	220
Letters of credit commissions and fees	239	104	852
Commission on fidelity connect	502	200	1,441
Commissions on off-statement of financial position transactions	291	99	623
Collection fees	130	155	590
Telex fees	74	84	384
Cheque issue fees	51	55	204
Other fees and commissions	265	135	1,124
Fee and commission income	4,600	4,856	20,557
Fee and commission expense	(1,128)	(495)	(3,238)
Net fee and commission income	3,473	4,361	17,319

8.0 Net gains from financial instruments classified as held for trading through profit and loss	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Net gains arising from:			
Bonds	22	97	47
Treasury bills	(99)	(61)	(672)
	(77)	35	(625)

9.0 Gain/Loss on investment securities

Equities investment in subsidiaries that were disposed

	31 March 2017	**31 March 2016**	**31 December 2016**

10.0 Other operating income

	N'million	N'million	N'million
Net foreign exchange gains	(50)	180	7,772
Dividend income	-	-	68
Profit on disposal of unquoted securities	-	-	2
Other income	62	125	469
	12	305	8,311

11.0 Other operating expenses

	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
Banking sector resolution cost	1,540	1,524	6,159
Marketing, communication & entertainment	1,928	2,065	9,579
Deposit insurance premium	805	1,166	3,220
Contractor compensation	827	881	3,428
Repairs and maintenance	691	576	2,563
Computer expenses	439	697	1,565
Security expenses	310	317	1,345
Training expenses	38	59	407
Corporate finance expenses	108	177	402
Litigations and claims	-	-	-
Bank charges	38	56	308
Legal expenses	71	29	253
Consultancy expenses	110	136	577
Travelling and accomodation	130	149	621
Telephone expenses	27	82	307
Postage and courier expenses	18	30	97
Insurance expenses	85	80	348
Office expenses	92	100	382
Cash movement expenses	135	116	601
Stationery expenses	65	61	256
Rent and rates	176	49	285
Directors' emoluments	56	57	249
Electricity	96	110	399
Auditors' remuneration	38	47	150
Loss on disposal of property, plant and equipments	0	9	64
Other expenses	456	313	2,097
Personnel expenses (Note 11.1)	5,256	6,116	27,231
Depreciation	832	1,038	4,308
	14,365	16,041	67,201

11.1 Personnel expenses

	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
Salaries and wages	5,256	5,476	20,126
Pension costs (Note 27):			
- Staff Gratuity Plan	-	-	-
- Staff Retirement benefit plan	-	641	7,105
	5,256	6,116	27,231

12.0 Earnings per share

	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
12.0 Basic and Dilluted	15	49	34

profit attributable to equity holders of the Bank by the

Profit/(loss) attributable to equity holders of the Bank
Weighted average number of ordinary shares in issue
Basic& Diluted earnings per share (expressed in kobo per share per annum)

13.0 Cash and balances with central bank

	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
Cash	18,244	26,411	34,861
Balances with central bank other than mandatory reserve deposits	24,952	24,439	1,954
Included in cash and cash equivalents	43,196	50,850	36,815
Mandatory reserve deposits with central bank	175,810	190,098	170,246
Carrying amount	219,006	240,948	207,061

Cash and Cash Equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with other banks an

14.0		31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
	Cash and balances with central bank	43,196	50,850	36,815
	Loans and advances to banks	44,690	53,173	49,200
	Total cash and cash equivalents	87,886	104,023	86,015

15.0	**Loans and advances to customers**	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
	Overdrafts	70,949	67,531	67,246
	Term loans	659,315	514,080	646,541
	Advances under finance lease	25,652	29,562	27,968
	Other loans	-	476	1,365
	Impairment	(25,468)	(21,516)	(24,719)
		730,448	590,133	718,401

16.0 Investments

	Debt and equity securities	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
16.1	Fair value through profit and loss			
	Treasury bills - At fair value through profit and loss	14,436	9,091	17,801
	Federal Government bonds - At fair value through profit and loss	1,565	1,782	297
	Corporate Bonds-At fair value through profit and loss	-	-	-
	State Bonds- At Fair value through profit and loss	-	-	-
	Listed equity investments - At fair value through profit and loss	-	-	-
		16,001	10,873	18,098
16.2	Available for sale			
	Treasury bills - Available-for-sale (At fair value)	55,479	83,711	74,599
	Federal Government bonds - Available-for-sale (At fair value)	9,880	26,009	29
	State bonds - Available-for-sale (At fair value)	7,060	8,831	7,941
	FMB Zero Coupoun Bonds	-	-	-
	Corporate Bonds- Available -for-Sale	-	-	-
	Equity investments - Available-for-sale (At fair value)-gross	6,016	7,799	6,017
		78,435	126,349	88,586
16.3	Held to maturity			
	Treasury Bills- Held-to Maturity	44,424	85,891	34,423
	Federal Government bonds - Held-to-maturity (At amortised cost)	77,945	60,459	79,445
	State Government bonds - Held-to-maturity (At amortised cost)	4,953	5,631	5,358
	Corporate Bonds- Held To Maturity	18,604	16,150	18,908
	AMCON - Held-to-maturity (At amortised cost)	-	-	-
		145,926	168,131	138,134
	Total investments	**240,361**	**305,354**	**244,818**

16.4	**Pledged assets**	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million

Treasury Bills and Bonds are pledged to the Nigerian Inter

The nature and carrying amounts of the assets pledged as collaterals are as follows:

Treasury bills	24,958	15,614	18,502
Federal Government bonds	9,552	9,883	9,860
Other assets	34,510	25,497	9,860

17.0	**Financial assets**	31 March 2017 N'million	31 March 2016 N'million	31 December 2016 N'million
	Sundry receivables	28,487	10,160	29,254
	Non-Propreitory assets	-	7,144	-
	Others	-	-	3,404
		28,487	17,304	32,658
	Less:			
	Specific allowances for impairment			

Non financial assets			
Prepayments	8,869	34,945	6,381
Other non financial assets	2,211	209	322
	11,080	35,154	6,703
Specific allowances for impairment	(2,384)	(1,370)	(1,851)
	8,696	33,785	4,852
Total	37,183	51,089	37,510

18.0 Deposits from customers	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Demand	341,215	297,672	314,791
Savings	163,747	135,078	155,019
Term	165,217	273,416	168,599
Domicilliary	117,476	70,552	138,670
Others	12,593	7,830	15,892
	800,247	784,549	792,971
Current	800,247	784,549	792,971
Non-current			
	800,247	784,549	792,971

19.0 Other liabilities	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Customer deposits for letters of credit	2,212	1,796	0
Accounts payable	17,216	24,882	48,903
Manager's cheque	2,090	1,243	3,704
Non-Propreitory Liabilities	-	7,144	-
Provisions	10,924	14,672	1,546
Other liabilites/credit balances	22,022	13,245	4,162
	54,463	62,981	58,315

Provisions include staffs year end bonus and other provisions of which there is a constructive and legal obligation on the part of the bank.

20.0 Other Borrowed Funds	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Long term loan from SCB London	-	-	-
Long Term loan from PROPACO	10,026	7,960	10,151
Long term loan from African Development Bank (ADB)	18,381	14,925	21,539
Long term loan from Citibank and HSBC London	-	24,875	-
European Invest	5,463	4,094	5,529
Renaissance Cap	10,326	-	-
	44,196	51,854	37,219

21.0 On-Lending Facilities	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
Central Bank of Nigeria - Salary Bailout facilities	60,338	66,076	70,358
Central Bank of Nigeria - Excess Crude Account	39,233	29,985	29,633
Central Bank of Nigeria - Real Sector Funds	1,100	1,100	1,100
	100,671	97,161	101,091

22.0 Debt Issued Securities	**31 March 2017 N'million**	**31 March 2016 N'million**	**31 December 2016 N'million**
6.875% EuroBond	91,616	59,551	92,774
16.48% Local Bond	29,120	28,718	29,042
	120,736	88,269	121,816