



**UNAUDITED NINE MONTHS FINANCIAL STATEMENT FOR
JAIZ BANK PLC**

SEPTEMBER 2017



INTRODUCTION

Jaiz Bank PLC Unaudited 9 months Financial Statement as at 30th, September 2017 complies with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding interim financial statements.

These financial statements are in accordance to the standards applicable to Islamic Banking Operations and procedures as well as IAS 34 'Interim Financial Reporting' its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria.

Statement of Directors' Responsibilities in Relation to the Financial Statements for financial year ended September 30, 2017

The Directors accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with the requirements of the International Financial Reporting Standards, the Financial Accounting Standards issued by AAOIFI, the Financial Reporting Council of Nigeria Act 2011, the Banks and Other Financial Institutions Act, CAP B3, LFN 2004, and relevant Central Bank of Nigeria regulations.

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

Going Concern:

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the years ahead. Resulting from the above, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Thus, directors continued the adoption of the going concern basis of accounting in preparing the annual financial statements.

Board Resolution:

At the 23rd Meeting of the Board of Directors of the Bank held on October 25, 2017 at the Bank's Board Room, Kano House Plot 73, Ralph Shodeinde Street, Central Business District Abuja, the following resolution was proposed and duly passed:

"That the Bank's Un-Audited 9 months Financial Statement for the period ended September 30, 2017 be and is hereby approved.

SIGNED ON BEHALF OF THE DIRECTORS BY:



Abdullahi Usman, FCA
Chief Financial Officer
FRC/2017/ICAN/00000016235



Hassan Usman, FCA
Managing Director/CEO
FRC/2013/ICAN/0000003984

JAIZ BANK**STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2017**

	Notes	30-Sep-17 N'000	31-Dec-16 N'000	30-Sep-16 N'000
Assets				
Cash and Balance with Central Bank of Nigeria	3	21,160,977	21,506,853	19,191,993
Due from Banks and Financial Institution	4	8,417,245	1,478,025	1,369,976
InterBank Murabaha	5	-	1,000,000	1,011,754
Sukuk	5	6,068,953	1,060,252	1,108,290
Murabaha Recievables	6	17,741,405	16,451,245	14,516,837
Investment in Musharaka	7	1,191,178	1,191,704	1,187,000
Investment in Qard Hassan	8	122,138	127,674	147,369
Investment in Istisna	9	700,600	754,448	832,500
Investment in Ijara Asset	10	13,879,505	14,251,232	13,412,215
Investment in Salam Asset	10i	19,924	-	-
Investment in Asset Held for Sale	11	764,432	488,942	364,079
Property, Plant and Equipment	12	2,073,124	1,892,970	1,709,885
Leasehold Improvement	13	37,222	42,435	54,160
Intangible Assets	14	355,341	368,089	371,652
Other Assets	15	7,794,431	5,233,382	5,714,520
Deferred Taxation	16b	1,772,577	1,772,577	1,726,574
Total Assets		82,099,052	67,619,828	62,718,804
Liabilities				
Customer Current Deposit	(17a)	25,639,299	24,415,544	19,388,180
Other Financing	18a	-	996,635	996,635
Other Liabilities	18b	10,111,705	1,552,659	1,810,552
Tax payable	16a	-	77,087	55,102
Total liabilities		35,751,004	27,041,925	22,250,469
Equity of Investment Account Holders				
Financial Institutions' Investment Accounts		-	-	-
Customers' Unrestricted Investment Accounts	(17b)	28,877,648	24,924,792	25,864,577
Mudaraba Term Deposit	(17c)	1,998,235	943,323	107,335
		30,875,883	25,868,115	25,971,912
Owners' Equity				
Share Capital	19	14,732,125	14,732,125	14,732,125
Share Premium	20	627,365	627,365	627,365
Retained Earnings	21	(1,341,480)	(2,103,857)	(1,604,961)
Risk Regulatory reserve	22	1,360,774	1,360,774	741,894
Statutory Reserve	22i	93,381	93,381	-
Total Equity		15,472,165	14,709,788	14,496,423
Total Equity and Liabilities		82,099,052	67,619,828	62,718,804

Abdullahi Usman, FCA
 Chief Financial Officer
 FRC/2017/ICAN/00000016235

Hassan Usman, FCA
 Managing Director/CEO
 FRC/2013/ICAN/0000003984

JAIZ BANK
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Notes	2017		2016	
		9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
Income:					
Income from Financing Investment	23	4,541,304	1,587,953	3,926,520	1,461,873
Income from Sukuk	24	424,089	130,740	144,663	46,312
Gross Income from Islamic financing transactions		4,965,393	1,718,693	4,071,183	1,508,185
Return on Equity of Investment Account Holders	25(i)	(919,288)	(332,834)	(876,566)	(305,411)
Bank's share as a Mudarib/Equity investor	25(ii)	4,046,105	1,385,859	3,194,617	1,202,774
Provision for Finance Impairments	-	230,000 -	60,000 -	123,503 -	60,006
Net Spread After Provision		3,816,105	1,325,859	3,071,114	1,142,768
Other Income					
Fee and commisssion	26	817,182	226,795	233,345	47,433
Other Operating Income	27	110,019	40,000	38,640	-
Non Trading Exchange (Loss)/Gain	28	59,298	59,298	9,186	9,186
Total Income		4,802,604	1,651,952	3,352,285	1,199,387
Expenses:					
Staff costs	29	1,713,237	606,285	1,488,936	496,105
Depreciation and Amortisation	30	400,581	123,158	381,762	135,366
Other Expenses	31	1,909,091	683,078	1,374,420	613,413
Total Expenses		4,022,909	1,412,521	3,245,118	1,244,884
Operating Profit/(Loss)		779,695	239,431	107,167 -	45,497
Income Tax Expenses		-	-	-	-
Profit/(Loss) for the Year after Tax		779,695	239,431	107,167 -	45,497
Other comprehensive income:					
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		779,695	239,431	107,167	(45,497)
Basic Earnings per share		0.05		0.01	-

The notes on pages 23 to 80 forms an integral part of these financial statements

JAIZ BANK

STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017

30 September 2017

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Risk Regulatory Reserve N'000	CBN Intervention N'000	Statutory Reserve N'000	Total N'000
Balance at 1 January 2017	14,732,125	627,365	(2,103,857)	1,360,774	(15,564)	93,381	14,694,224
Profit for the year	-	-	779,695	-	-	-	779,695
Balance at 30 September 2017	<u>14,732,125</u>	<u>627,365</u>	<u>(1,325,916)</u>	<u>1,360,774</u>	<u>(15,564)</u>	<u>93,381</u>	<u>15,472,165</u>

30 September 2016

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Risk Regulatory Reserve N'000	CBN Intervention N'000	Statutory Reserve N'000	Total N'000
Balance at 1 January 2016	14,732,125	549,886	(1,714,073)	741,894	-	-	14,309,832
Profit for the year	-	-	107,167	-	-	-	107,167
Balance at 30 September 2016	<u>14,732,125</u>	<u>627,365</u>	<u>(1,604,961)</u>	<u>741,894</u>	<u>-</u>	<u>-</u>	<u>14,496,423</u>

The notes on pages 23 to 80 forms an integral part of these financial statements

JAIZ BANK
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Notes	2017 N'000	2016 N'000
Cash flow from operating activities			
Net profit/(loss) before tax		779,695	107,167
Adjustments for non cash items:			
Depreciation	12	340,511	266,698
Profit on Disposal of Non-Current Asset- Motor Vehicle	27	-	(40)
Amortization of Intangible Assets	14	42,738	34,898
Amortisation of leasehold Improvement	13	17,332	80,167
Provision for financing impairment	32 (b)	230,000	123,503
Amortisation of prepaid rent	31	141,586	123,876
Non trading foreign exchange (gain)/loss		(59,298)	(9,186)
Operating profit before changes in operating asset and liabilities		1,492,564	727,083
Working capital adjustment:			
Interbank Murabaha	5	1,011,754	42,493
Sukuk	5	(4,960,663)	(149,495)
Murabaha recievables	6	(3,198,925)	3,967,337
Qard Hassan	8	25,179	(28,466)
Istisna	9	122,678	(40,022)
Ijara rental recievables	10	(574,463)	561,570
Investment in trading assets	11	(400,353)	1,607,529
Other assets	15	(1,862,137)	5,520,270
Customers' current account	(17a)	6,251,119	(11,657,903)
Other Financing	18a	(996,635)	996,635
Other liabilities	18b	8,301,153	(5,468,157)
Tax paid	16a	(77,087)	-
Net cash from/(used in) operating activities		5,134,184	(3,921,126)
INVESTING ACTIVITIES			
Purchase of property, plant & equipment	12	(940,539)	(542,406)
Purchase of intangible assets	14	(40,295)	(98,669)
Disposal of property, plant & equipment		-	-
Improvement on leasehold properties	13	(25,504)	(50,098)
Net cash used in investing activities		(1,006,338)	(691,173)
FINANCING ACTIVITIES			
Shares issued		-	(2,902,425)
Cleasng of pre-operating non-allowable income		-	745,126
Prior year adjustment	21	- 15,564	(9,260)
Customers investment accounts	(17b)	4,903,971	(1,239,020)
Net cash provided by (used in) financing activities		4,888,407	(3,405,579)
Increase (Decrease) In Cash And Cash Equivalents		9,016,253	(8,017,878)
Cash and cash equivalents at beginning of year		20,561,969	28,579,847
Cash And Cash Equivalents At 30 September	#NAME?	29,578,222	20,561,969

The notes on pages 23 to 80 forms an integral part of these financial statements

JAIZ BANK
STATEMENT OF SOURCES AND USES OF QARD FUND
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	2017		2016	
	N'000		N'000	
	Qard Hasan Receivables	Total	Qard Hasan Receivables	Total
Balance at 1 January	147,369	147,369	118,903	118,903
Share loans to staff	-	-	5,135	5,135
Staff loans	-	-	-	-
Loans to customers	-	-	-	-
Others	-	-	-	-
Total uses during the year	147,369	147,369	124,038	124,038
Repayments & Impairment	25,231	25,231	(23,331)	(40,243)
Balance at 31 December	122,138	122,138	147,369	164,281
Sources of qard fund				
Contribution by the bank	122,138	122,138	147,369	164,281

The purpose of this Statement is to disclose the status of the financial accommodation that was granted to members of staff when they bought the Bank's shares under 2012 Private Placement Exercise as well as the status of Staff Loans taken over by the Bank as a result of recruitment from other Banks. Staff under critical situations were also granted this type of accommodation.

JAIZ BANK**STATEMENT OF SOURCES AND USES OF CHARITY FUND
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017	2016
	N'000	N'000
Sources of Charity Funds		
Undistributed Charity funds at the beginning of the year	13,193	660,958
Non-permissible income during the year	20,126	97,361
Total Sources Of Charity Funds During The Year	33,319	758,319
Uses of Charity Funds		
Transfer to Jaiz Foundation	-	745,126
Philontropic Activities	33,318	-
Total uses of funds during the year	33,318	745,126
Undistributed charity funds at the end of the year		13,193

This Statement discloses how the Non-permissible Income was being dispensed with.

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017

1 Reporting entity

Jaiz Bank Plc is the first fully fledged non-interest financial institution in Nigeria. The Bank commenced operation on January 6th, 2012 with three branches in two states and the Federal Capital Territory.

The Bank's Corporate Headquarter address is Kano House, Plot 73, Ralph Shodeinde Street, Central Business District, Abuja Nigeria.

The Financial Statement of the Bank as at 30 September 2017, is only for the Bank as it has no subsidiary and/or Associate company.

2 Significant Accounting Policies

(a) Statement of Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with the requirements of International Financial Reporting standards (IFRS) as issued by International Accounting standards Board (IASB). For matters on which no IFRS standard is applicable or IFRS conflicts with Shari'ah rules and principles, the bank uses the relevant Financial Accounting Standard as issued by the Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI) and shariah rulings as determined by the shariah supervisory board of the Bank.

(b) Basis of Preparation, Accounting Judgments & Estimates.

Financial statements are to be prepared under the historical cost convention, and may be modified by their valuation of certain investment securities, property, plant and equipment. Financial statements are to be prepared mainly in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). For matters that are peculiar to Islamic Banking and Finance, the Bank shall rely on the Statement of Financial Accounting ("SFA") and Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), Standards issued by the Islamic Financial Services Board ("IFSB") and Circulars issued by the Central Bank of Nigeria ("CBN") shall also be of guidance.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant uses of judgments and estimates are as follows:

i Going Concern

The Bank's management shall be making assessment of the Bank's ability to continue as a going concern and where satisfied that the Bank has the resources to continue in business for the foreseeable future shall form a judgment and prepare accounting information based on that. In any situation whereby the Board of Directors is aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern such issues shall be disclosed in the annual report.

ii Fair Value of Unquoted Equity Securities and Investment Properties

Fair value shall be determined for each investment individually in accordance with the valuation policies of the Bank. Where the fair values of the Bank's unquoted equity securities cannot be derived from an active market, they shall be derived using a variety of valuation techniques. Judgment by management is required to establish fair values through the use of appropriate valuation models, consideration of comparable assets, discount rates and the assumptions used to forecast cash flows. Investment properties and investments in real estate projects shall be carried at fair value as determined by independent real estate valuation experts. The determination of the fair value for such assets requires the use of judgment and estimates by the independent valuation experts that are based on local market conditions existing at the date of the statement of financial position.

iii Impairment Provisions against Financing Contracts with Customers

The Bank shall review its financing contracts at each reporting date to assess whether an impairment provision should be recorded in the financial statements. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes to the provisions. In addition to specific provisions against individually significant financing contracts, the Bank also shall make a collective impairment provision of 1% against exposures which, although not specifically identified as requiring a specific provision, have a greater risk of default than when originally granted. This takes into consideration, factors such as any deterioration in country risk, industry, and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

iv Impairment of Investments at Fair Value through Equity

The Bank shall treat investments carried at fair value through equity as impaired when there is a significant or prolonged decline in the fair value below their costs or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Bank would evaluate factors, such as the historical share price volatility for comparable quoted equities and future cash flows and the discount factors for comparable unquoted equities.

v Liquidity

The Bank shall manage its liquidity through consideration of the maturity profile of its assets and liabilities on daily basis. This requires judgment when determining the maturity of assets and liabilities with no specific maturities.

(c) Inventory

Inventory of stationery and consumables held by the Bank are to be stated at the lower of cost and net realizable value in line with IAS 2. When inventories become old or obsolete, an estimate is to be made of their net realizable value. For individually significant amounts, this estimation is to be performed on an individual basis. For amounts that are not individually significant, collective assessment shall be made and allowance applied according to the inventory type and degree of ageing or obsolescence based on historical selling prices.

(c) Non-Current Assets

Non-current (fixed) assets are initially recorded at cost. They are to be subsequently stated at historical cost less depreciation and any accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Bank and the cost of the asset can be measured reliably. All other repairs and maintenance should be charged to the income statement during the financial period in which they are incurred.

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

Asset that do not reach a limit of N25,000 (Twenty Five Thousand Naira Only) are expensed immediately in the income statement, but capitalized if above limit.

Depreciation is to be provided on a straight-line basis to write off the cost of asset over their estimated useful live. The annual rate which should be applied consistently over time are as follows:

Motor vehicle	(6 years)	16.67%
Furniture and fittings	(5 years)	20%
Equipment	(5 years)	20%
Computer Equipment- General	(3 years)	33%
Computer Equipment- Special	(5 years)	20%
Computer software	(10 years)	10%
Freehold Buildings	(50 years)	2%

Leasehold building over the expected life of the lease

Leasehold improvement over the period of the lease

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from it use. Gain and losses are recognised in the income statement.

Depreciation is charged when the assets are available for use irrespective of whether they are put to use. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of income for the year.

(e) Intangible Assets

Software licenses acquired by the Bank are stated at cost less accumulated amortization and accumulated impairment loss (if any). Expenditure incurred on internally developed software is recognized as an asset when the Bank is able to complete the software development and use it in such a manner that it will be able to generate economic benefit to the Bank, and that the cost to complete the development can reliably be measured by the Bank.

Internally developed software cost that is capitalized includes cost directly attributable to developing the software, and is amortized over the useful economic life of the software.

Amortization is recognized in the income statement on a straight line basis over the estimated useful life of the software.

(f) Financial Instruments – Initial Recognition and Subsequent Measurement

All financial assets and liabilities are initially recognized on the trade date, i.e. the date that the Bank becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets recorded at fair value through income statement.

(g) Ijarah (Leasing)

The Bank shall comply fully with the requirements of Sharia in recognition and measurement of Ijarah financing. The periodic lease rentals receivable are treated as rental income during the period they occur and charge thereon is included in operating expenses while initial direct cost incurred are written off to the income statement in the period they are incurred.

(h) Murabaha Receivables from Banks

These are interbank commodity Murabaha transactions. The Bank arranges a Murabaha transaction by buying a commodity (which represents the object of the murabaha) and then resells this commodity to the beneficiary murabeh (after adding a profit margin). The sale price (cost plus the profit margin) is paid either lump sum at Maturity or in installments by the Murabeh over the agreed period. Murabaha receivables from banks are stated net of deferred profits and provision for impairment, if any.

(i) Murabaha Receivables from Customers

Customer Murabaha receivables consist of deferred sales transaction agreements and are stated net of deferred profits, any amounts written off and provision for impairment, if any. Promise made in the Murabaha to the purchase Orderer is obligatory upon the customer and the bank can claim damages to the exact amount of loss suffered.

(j) Musharaka

Musharaka contracts represents a partnership between the Bank and a customer whereby each party contributes to the capital in equal or varying proportions to establish a new project or share in an existing one, and whereby each of the parties becomes an owner of the capital on a permanent or declining basis and shall have a share of profits or losses. These are stated at the fair value of consideration given less any amounts written off and provision for impairment, if any.

(k) Impairment of Investment in Risk Assets

At each balance sheet date, the Bank assesses whether there is objective evidence that the financial assets are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be measured reliably.

The Bank considers impairment both at individual asset level and also at collective level. All individually significant assets are assessed for specific impairment.

Assets found not to be impaired individually are assessed collectively for any impairment that has been incurred but not identified earlier. Insignificant assets are tested for impairment collectively.

Impairment loss on assets classified at amortized cost are measured as the difference between the carrying value of the asset and the present value of future cash flows discounted at the initial assets effective profit rate. Losses are recognized in the income statement of the period the loss is incurred.

Also, provision is determined from a specific assessment of each customer's account in accordance with the Central Bank of Nigeria's (CBN) Prudential Guidelines. A minimum general provision of 1% is made on all risk assets, which have not been specifically provided for.

Profit and/or principal that is outstanding	Classification	Provision
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
360 days and over	Loss	100%

When an investment is deemed not collectible, it is written off against the related provision for impairments and subsequent recoveries are credited to the provision for loan losses in the statement of income. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited as a reduction of the provision for impairment in the statement of income.

Risk assets in respect of which a previous provision was not made are written directly to the statement of income when they are deemed to be irrecoverable.

(l) Income Recognition

i Murabaha

Where the income is quantifiable and contractually determined at the commencement of the contract, income is recognized on a time-apportioned basis over the period of the contract based on the principal amounts outstanding. Accrual of income is suspended when the bank believes that the recovery of these amounts may be doubtful.

ii Ijarah Muntahia Bittamleek

Ijarah income is recognized on a time-apportioned basis, over the lease term. Accrual of income is suspended when the bank believes that the recovery of these amounts may be doubtful.

iii Musharaka

Income on Musharaka Contracts is recognized when the right to receive payment is established or on distribution by the Musharek.

iv Dividends

Dividends from investments in equity securities are recognized when the right to receive the payment is established. This is usually when the dividend has been declared.

v Fees and Commission Income

The Bank earns fee and commission income from a diverse range of services it provides to its customers.

vi Sale of Property under Development

Where property is under development and agreement has been reached to sell such property when construction is complete, the bank considers whether the contract comprises:

Contract to construct a property; or

Contract for the sale of completed property

Where a contract is judged to be for the construction of a property, revenue is recognized using the percentage of completion method, as construction progresses. The percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Where the contract is judged to be for the sale of a completed property, revenue is recognized when the significant risks, rewards and control of ownership of the property are transferred to the buyer.

vii Non-Credit Related Fee Income

This is recognized at the time the services have been performed and delivered or the transaction has been completed.

viii Foreign Income

- a) Commission on negotiation of various letters of credit and overdue Profit on delayed foreign payments are accounted for on receipt.
- b) Other Profit and income earned on the Bank's own funds held outside Nigeria are accounted for on receipt.

ix Earnings Prohibited by Shari 'a

The bank is committed to avoid recognizing any income generated from non-Islamic sources. Accordingly, all non-permissible income is transferred to charity.

x Service Income

Revenue from rendering of services is recognized when the services are rendered.

xi Revenue from Sale of Goods

Revenue from sales of goods is recognized when the significant risks, rewards and control of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

xii Bank's Share as a Mudarib

The Bank's share as a mudarib for managing the equity of investment account holders is accrued based on the terms and conditions of the related mudaraba agreements whereas, for off balance sheet equity of investment accounts, mudarib share is recognized when distributed.

xiii Expense Recognition

- a) Profit on mudaraba payable (banks and non-banks)
Profit on these is accrued on a time-apportioned basis over the period of the contract based on the principal amounts outstanding.
- b) Return on Equity of Investment Account Holders
Return on equity of investment account holders is based on the income generated from jointly financed assets after deducting Mudarib share and is accrued based on the terms and conditions of the underlying Mudaraba agreement. Investors' share of income represents income generated from assets financed by investment account holders net off allocated administrative expenses and provisions. The bank's share of profit is deducted from the investors' share of income before distribution to investors.

m Transactions in Foreign Currencies

- i The financial statements are presented in Nigerian Naira, which is the reporting currency in line with IAS21 (Effects of foreign exchange)
- ii Transactions in foreign currencies are recorded in the books at the rate of exchange ruling on the date of the transactions.
- iii Monetary assets and liabilities denominated in foreign currencies are converted into Naira at the rate of exchange ruling at the balance sheet date. All differences are to be taken to the statement of income.

iv Non-monetary items that are measured in terms of historical cost in a foreign currency are translated into Naira using the exchange rates as at the dates of the initial recognition. Non-monetary items measured at fair value in a foreign currency are translated into Naira using the exchange rates at the date when the fair value is determined. Exchange gains and losses on non-monetary items classified as “fair value through statement of income” are taken to the income statement and for items classified at “fair value through equity” such differences are taken to the statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at closing rate.

n Taxation

i Current Income Taxation

Income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with current statutory rate. Income tax payable on profits, based on the applicable tax law, is recognized as an expense in the period in which the related profits arise. All taxes related issues including deferred tax are treated in accordance with IAS 12 (Income taxes).

ii Deferred Taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the temporary differences between the net book value of qualifying fixed assets and their corresponding tax written down value in accordance IAS 12 (Income taxes). The principal temporary differences arise from depreciation of property, plant and equipment, provisions for pensions and other post-retirement benefits, provisions for Investment losses and tax losses carried forward. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the timing differences can be utilized.

o Investments

i Investment Securities

Investment securities are initially recognized at cost and management determines the classification at initial investment. Investments in securities are classified, measured and recognize in accordance with IAS 39 (Financial Instruments measurement and recognition).

ii Investments at Fair Value through Statement of Income

Investments at fair value through statement of income include investments designated upon initial recognition as investments at fair value through statement of income. Financial assets carried at fair value through statement of income are recognised at fair value, with transaction costs recognised in the consolidated statement of income.

Investments classified as 'at fair value through statement of income' are subsequently measured at fair value. The unrealized gains and losses arising from the remeasurement to fair value are included in the consolidated statement of income.

iii Investments at Fair Value through Equity

Investments at fair value through equity are those which are designated as such or are not classified as carried at fair value through statement of income. These include investments in equity securities and managed funds.

After initial measurement, investments at fair value through equity are subsequently measured at fair value. Unrealised gains and losses are recognised in statement of comprehensive income and then transferred to the available for sale reserve in the consolidated statement of changes in equity. When the investment is disposed of or determined to be impaired, the cumulative gain or loss, previously transferred to the available for sale, reserve is recognised in the consolidated statement of income. Where the Bank holds more than one investment in the same security they are deemed to be disposed off on a weighted average basis. Profit earned whilst holding investments at fair value through equity is reported as Income from investment activities' using the effective profit rate method. Long-term investments are investments held over a long period of time to earn income. Long-term investments may include debt and equity securities.

iv Investments in Subsidiaries

Investments in subsidiaries are carried in the company's balance sheet at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognized as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

p Retirement Benefits

Retirement benefits to employees are provided under a defined contribution scheme, which is funded by contribution from the bank and employees. Funding under the new scheme is 8.0% by staff and 10% by the Bank based on annual basic salary, housing and transport allowances in line with the new Pension Reform Act, 2014. Membership of the scheme is automatic upon resumption of duty with the Bank. The Bank has no further payment obligations once the contributions have been paid.

The Bank's liabilities in respect of the defined contribution are to be charged against the profit of the year in which they become payable. Payments are made to Pension Fund Administration companies, who are financially independent of the bank.

q Provisions, Contingent Assets and Contingent Liabilities

Provision is recognized when the Bank has a present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably measured, in accordance with the International Financial Reporting Standards (IAS 37).

Transactions that are not currently recognized as assets or liabilities in the balance sheet, but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transactions included letters of credit, bonds, guarantees, acceptances, trade related contingencies such as documentary credits etc.

Outstanding and unexpired commitments at year end in respect of these transactions are to be shown by way of note to the financial statements.

Income on off-balance sheet engagement is in form of commission and fees.

Commission and fees are recognized when transactions are executed.

r Borrowings

i Murabaha and Due to Banks

This represents funds received from banks on the principles of murabaha contracts and are stated at fair value of consideration received less amounts settled.

ii Murabaha and due to non-banks

These are stated at fair value of consideration received less amounts settled. Profit paid on borrowings is recognized in the statement of income for the year.

s Fiduciary Activities

The Bank acts as trustee in its capacity as a Mudarib when managing the equity of investment account holders. Equity of investment account holders is invested in murabaha and due from banks, sukuk and financing contracts with customers. Equity of investment account holders is carried at fair value of consideration received less amounts settled. Expenses are allocated to investment accounts in proportion of average equity of investment account holders to total average assets of the Bank.

Income is allocated proportionately between equity of investment account holders and owners' equity on the basis of the average balances outstanding during the year and share of the funds invested. Equity and assets of restricted investment account holders are carried off-balance sheet as they are not assets and liabilities of the Bank.

t Segment Reporting

The Bank prepares its segment information based on geographical and business segments as primary and secondary reporting segments, respectively in accordance with IFRS 8 (Operating segments).

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

The Bank has appointed the Management committee charged with the responsibility of allocating resources and assessing performance as the Chief Operating Decision Maker as required under IFRS 8. The CODM is reviewed and advised by the Board for decisions on significant transactions and or events

u Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right or shariah requirement to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

v Cash and Cash Equivalent

Cash comprises:

- i** Cash in hand
- ii** Balance held with Central Bank of Nigeria
- iii** Balance with banks in Nigeria and outside Nigeria
- iv** Demand deposit denominated in Niara and other foreign currencies

Cash equivalent are short term, highly liquid instruments which are:

- a** readily convertible into cash, whether in local and foreign currencies; and
- b** so near to their maturity dates as to present insignificant risk of changes in value as a result of changes in profits rates.

w Ordinary Share Capital

i Share Issue Costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

ii Dividend on Ordinary Shares

Dividends on ordinary shares are appropriated from revenue reserve in the period they are approved by the Bank's shareholders.

Dividends for the year that are approved by the shareholders after the balance sheet date 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 1990.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017

3	Cash and Balance with Central Bank of Nigeria	30-Sep-17	31-Dec-16	30-Sep-16
		N'000		N'000
	Cash on Hand	3,542,780	2,580,732	2,439,777
	Current account with CBN	7,446,091	6,301,422	4,700,857
	Deposit with CBN	10,172,106	12,624,699	12,051,359
	As at 30 September	21,160,977	21,506,853	19,191,993

Cash on hand constitutes the aggregate cash balances in the vaults of the Bank branches while deposits with the Central Bank of Nigeria represent Mandatory Reserve Deposits(as prescribed by the CBN) and are not available for use in the bank's day-to-day operations.

4	Due from Banks and Financial Institution	30-Sep-17	31-Dec-16	30-Sep-16
		N'000		N'000
	Balance with banks within Nigeria:			
	First Bank Plc	930,613	438,483	472,490
	a	930,613	438,483	472,490
	Balance with banks outside Nigeria:			
	First Bank UK	4,808,142	705,107	557,892
	Habib Bank UK	2,536,329	66,149	43,556
	Commerzbank AG	-	224,939	246,714
	Standard Chartered	6,189	5,977	-
	Bank Al-Bilad	135,972	49,324	49,324
	b	7,486,632	1,039,542	897,486
	As at 30 September	8,417,245	1,478,025	1,369,976
	a+b			

The balance held with Banks outside Nigeria substantially represent the Naira equivalent of Foreign Currency balance held on benefit of Customers in respect of Letter of Credit transactions. The corresponding Liability is included in Margin Deposits under "Other Liabilities" (see Note 18). The amount is not available for the day to day operations of the Bank.

5	InterBank Murabaha	30-Sep-17	31-Dec-16	30-Sep-16
		N'000		N'000
	InterBank Murabaha	-	1,054,247	1,054,247
	InterBank Murabaha Deferred Profit	-	54,247	42,493
	As at 30 September	-	1,000,000	1,011,754

5	Sukuk	30-Sep-17	31-Dec-16	30-Sep-16
		N'000		N'000
	Opening Balance	1,108,290	1,242,396	958,795
	Addition during the year	5,118,267		149,495
	Gross investment in Sukuk	6,226,557	1,242,396	1,108,290
	Part Liquidation during the period	(157,604)	182,144	-
	As at 30 September	6,068,953	1,060,252	1,108,290

In 2013 the Bank invested N1,000,000,000 in a sukuk issued by Osun State Government at 14.5% Return on Investment. In 2014 the Investment was increased to N2,400,000,000 through Secondary Market purchase. The Sukuk has a seven-year Tenor with terminal date of 2020. Principal Repayment will commence from January 2015. Additional N8Billion was deposited for FGN Sovereign Sukuk as the date of this report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017

6	Murabaha Recievables	30-Sep-17	31-Dec-16	30-Sep-16
		N'000	N'000	N'000
	Murabaha Retail	4,151,694	4,172,717	3,816,187
	Murabaha Corporate	15,183,217	14,375,505	12,812,649
	Murabaha Staff	6,766	10,464	12,605
	Murabaha Related Party	16,539	21,027	25,542
	Gross Recievable	19,358,216	18,579,713	16,666,983
	Allowance for impairment	(150,226)	(129,079)	(175,869)
	Deffered Profit	(1,466,585)	(1,999,389)	(1,974,277)
	As at 30 September	17,741,405	16,451,245	14,516,837
7	Investment in Musharaka	30-Sep-17	31-Dec-16	30-Sep-16
		N'000	N'000	N'000
	Gross Investment in Musharaka	1,200,000	1,200,000	1,200,000
	Allowance for impairment	(8,822)	(8,296)	(13,000)
	As at 30 September	1,191,178	1,191,704	1,187,000
8	Investment in Qard Hassan	30-Sep-17	31-Dec-16	30-Sep-16
		N'000	N'000	N'000
	Share loan to staff	147,369	147,242	147,369
	Loan to customers	7,986	-	-
	Gross investment in Qard Hassan	122,190	147,242	147,369
	Allowance for impairment	(52)	(19,568)	-
	As at 30 September	122,138	127,674	147,369
9	Investment in Istisna	30-Sep-17	31-Dec-16	30-Sep-16
		N'000	N'000	N'000
	Istisna Recievable	994,233	1,099,753	1,265,839
	Allowance for impairment	(184,209)	(123,889)	(174,987)
	Deffered Profit	(109,424)	(221,416)	(258,352)
	As at 30 September	700,600	754,448	832,500
10	Investment in Ijara Asset	30-Sep-17	31-Dec-16	30-Sep-16
		N'000	N'000	N'000
	Ijara wa Iqtina	13,411,782	13,648,825	13,024,689
	Ijara home finance	24,135	25,660	25,868
	Ijara Auto & Others	254	251	365
	Ijara Others	550,436	675,073	575,568
	Gross investment in Ijara	13,986,607	14,349,809	13,626,490
	Allowance for impairment	(107,102)	(98,577)	(214,275)
	As at 30 September	13,879,505	14,251,232	13,412,215
	Investment in Salam Asset	30-Sep-17	31-Dec-16	30-Sep-16
		N'000	N'000	N'000
	Salam Corporate	21,477	-	-
	Gross Investment in Salam	21,477	-	-
	Allowance for impairment	(430)	-	-
	Deffered Profit	(1,123)	-	-
	As at 30 September	19,924	-	-
11	Investment in Asset Held for Sale	30-Sep-17	31-Dec-16	30-Sep-16
		N'000		N'000
	Unsold Inventory of Properties	-	-	35
	Advance for LC Murabaha-in-Transit	746,606	32,263	65,830
	Inventory-Murabaha Corp. Finance	17,826	456,679	298,284
	As at 30 September	764,432	488,942	364,079

As at 30th September, the Bank has sold off all its stock of properties.

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017

12 Property, Plant and Equipment

	Freehold Land	Building Freehold	Office Equipment	Motor Vehicle	Furnitures and Fixtures	Computer Equipment	Library Books	Fixed Assets WIP	Total
Cost	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000
1 January 2017									
Cost	1,000	460,849	491,761	303,315 #	149,741	1,374,232	-	214,272	2,995,170
Additions/Reclassification		352,703	207,824	80,438	34,125	43,240		222,209	940,539
Disposals	-								-
Adjustment		(318,225)	(42,704)	(2,000) #	(9,081)	(6,803)		(54,758)	(433,571)
30 September 2017	1,000	495,327	656,881	381,753	174,785	1,410,669	-	381,723	3,502,138
Accumulated depreciation									
1 January 2017	4,008	160,802	131,274	80,905	618,606	196	-	-	995,791
Depreciation	-	85,850	60,651	19,760	174,082	168	-	-	340,511
Adjustment	3,512	29,239	(4,619)	5,510	59,434	(364)			92,712
Disposals	-	-	-	-	-	-	-	-	-
30 September 2017	7,520	275,891	187,306	106,175	852,122	-	-	-	1,429,014
Cost									
1-January-2016									
Cost	144,727	130,924	296,327	233,955	128,962	1,177,039	350	-	2,112,284
Additions/ Reclassification	(143,727)	329,925	195,434	69,360	20,779	197,193	(350)	214,272	882,886
Disposals	-	-	-	-	-	-	-	-	-
31 December 2016	1,000	460,849	491,761	303,315 #	149,741	1,374,232	-	214,272	2,995,170
Accumulated depreciation									
1-January-2016	-	4,008	116,798	100,294	60,735	447,129	130	-	729,094
Depreciation	-	3,512	73,269	43,799	25,680	227,949	(130)	-	374,079
Adjustment	-	-	-	(973)	-	-	-	-	(973)
31 December 2016	-	7,520	190,067	143,120 #	86,415	675,078	-	-	1,102,200
Cost									
1 January 2016									
Cost	144,727	130,924	296,327	233,955	128,962	1,177,039	350	-	2,112,284
Additions/ Reclassification	-	11,700	152,730	67,360 #	11,698	190,390	-	159,514	542,406
Disposals	-	-	-	-	-	-	-	-	-
30 September 2016	144,727	142,624	449,057	301,315	140,660	1,367,429	350	159,514	2,705,676
Accumulated depreciation									
1 January 2016	-	4,008	116,798	100,294	60,735	447,129	130	-	729,094
Depreciation	-	-	44,004	30,980 #	20,170	171,477	66	-	266,697
Disposals	-	-	-	-	-	-	-	-	-
30 September 2016	-	4,008	160,802	131,274	80,905	618,606	196	-	995,791
Netbook value									
30 September 2017	(6,520)	219,436	469,575	275,578	(677,337)	1,410,669	-	381,723	2,073,124
31 December 2016	1,000	453,329	301,694	160,195	63,326	699,154	-	214,272	1,892,970
30 September 2016	144,727	138,616	288,255	170,041	59,755	748,823	154	159,514	1,709,885

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017

13	Leasehold Improvement	30-Sep-17	31-Dec-16	30-Sep-16
	Cost	N'000	N'000	N'000
	Balance at 1 January	795,549	729,574	729,574
	Adjustments	(15,877)	-	
	Addition	25,504	65,975	50,098
	As at 30 September	805,176	795,549	779,672
	Amortisation			
	Balance at 1 January	753,114	647,069	647,069
	Adjustments	(2,492)	(2,167)	(1,724)
	Amortisation for the year	17,332	108,212	80,167
	As at 30 September	767,954	753,114	725,512
	Carrying amounts			
	As at 30 September	37,222	42,435	54,160
14	Intangible Assets	2017	31-Dec-16	2016
	Cost	N'000	N'000	N'000
		Computer software	Computer software	Computer software
	Balance at 1 January	563,242	454,268	454,268
	Addition	40,295	108,974	98,669
	Disposal	-		-
	Adjustments	(10,305)		
	As at 30 September	593,232	563,242	552,937
	Amortisation and impairment losses			
	Balance at 1 January	195,153	146,388	146,388
	Amortisation for the year	42,738	48,765	34,897
	Reclassification	-	-	
	As at 30 September	237,891	195,153	181,285
	Carrying amounts			
	As at 30 September	355,341	368,089	371,652

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017

	30-Sep-17	31-Dec-16	30-Sep-16
15 Other Assets			
	N'000	N'000	N'000
Sundry Debtor	469,284	100,637	102,524
Prepaid rent	483,553	350,609	355,140
Prepaid Sukuk Premium	54,924	68,655	73,232
Other prepayments	319,190	175,520	381,536
Prepaid Staff	123,353	85,561	182,674
Inventory-Cheques, Printing and ATM Card	1,911,610	43,146	49,724
Due from staff	-	-	-
Branch development expenditure	190,482	227,282	340,234
Account receivables	1,261,839	1,549,048	2,195,851
Ijara accrued Profit	2,431,079	2,145,570	1,857,121
Due from Banks - ATM Transactions	-	20,693	20,691
Operating Suspense	595,246	477,525	244,212
Interbranch	(5,179)	51,707	50,111
Total	7,835,381	5,295,953	5,853,050
Impairment of Other Assets	(40,950)	(62,571)	(138,530)
As at 30 September	7,794,431	5,233,382	5,714,520
Movement in impairment of other assets:			
	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Balance at 1 January	5,233,382	3,983,853	3,983,853
Charge for the year	2,601,999	1,312,100	1,869,197
Impairment of Other Assets	(40,950)	(62,571)	(138,530)
As at 30 September	7,794,431	5,233,382	5,714,520

JAIZ BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST SEPTEMBER, 2017

16a Taxation			
i) Statement of Financial position	30-Sep-17	31-Dec-16	30-Sep-16
	N'000		N'000
Balance brought forward	77,087.00	43,897.00	43,897.00
Prior Year Tax Adjustment		11,205.00	11,205.00
Charge for the year	-	77,748.00	-
	77,087.00	132,850.00	55,102.00
Add under provision in previous years	-		-
Taxation	77,087.00	132,850.00	55,102.00
Less payment for the year	(77,087.00)	(55,763.00)	-
As at 30 September	-	77,087.00	55,102.00
ii) Income statement	2017		2016
	N'000		N'000
Company income	-	61,960.00	-
Education tax	-	12,392.00	-
Information technology levy	-	3,396.00	-
	-	77,748.00	-
Deferred tax expenses			
Deferred tax expenses	-	(46,003.00)	-
Balance at 30 September	-	31,745.00	-
16b Deferred Taxation	30-Sep-17	31-Dec-16	30-Sep-16
	N'000		N'000
Balance at 1 January	1,772,577	1,726,574	1,772,577
Provision for the year		46,003	-
As at 30 September	1,772,577	1,772,577	1,726,574
(b) Reconciliation of effective tax rate	30-Sep-17	31-Dec-16	30-Sep-16
	N'000		N'000
Profit for the period	779,695	311,272	107,167
Total income tax expense	-	31,745	-
Profit excluding income tax	779,695	343,017	107,167
Income tax using the Company's domestic tax rate	249,502	109,765	34,293
As at 30 September	249,502	109,765	34,293

JAIZ BANK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2017**

17 Due to customers	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Analysis by type of account			
(17a) Current Account	25,639,299	24,415,544	19,388,180
(17b) Mudaraba Investment Account	28,877,648	24,924,792	25,864,577
(17c) Mudaraba Term deposit	1,998,235	943,323	107,335
As at 30 September	56,515,182	50,283,659	45,360,092

Analysis by type of Depositor	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Government	902,613	1,665,527	1,566,253
Corporate	18,261,339	18,661,339	14,532,240
Individual	37,106,622	29,956,793	29,261,599
As at 30 September	56,270,574	50,283,659	45,360,092

Analysis by maturity

All the customers deposit are analysed by maturity into Current and Savings as follows:

	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Current Deposits	25,639,299	24,415,544	19,388,180
Savings Deposits	13,097,552	12,530,257	12,256,566
30days Deposits (JAPSA)	15,780,096	12,394,535	13,608,011
60days Mudaraba Term Deposit	1,998,235	943,323	107,335
As at 30 September	56,515,182	50,283,659	45,360,092

The Bank has introduce Mudarabah Tenored Deposits which has give customers the opportunity to choose from a basket of Return available for different tenors.

(17b) Equity of Investment Accountholders	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Savings Account	11,614,001	11,436,159	11,280,707
Children saving Account	677,527	602,294	537,308
Jaiz premium Savings Account	15,780,096	12,394,535	13,608,011
Others including MTDS	2,549,086	1,435,127	545,886
As at 30 September	30,620,710	25,868,115	25,971,912

18a Other Financing	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Fund Sources Outside the Bank (CBN/CACS)	-	996,635	996,635
As at 30 September	-	996,635	996,635

18b Other Liabilities	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
MC/Margin Deposits	5,198,550	546,640	651,398
Accounts Payable	61,948	191,326	152,420
Vendors payable	66,986	52,862	47,038
Other Tax Liabilities	56,804	109,456	97,569
Profit payable to Mudararaba Savings Account	35,247	10,183	1,810
e-Banking Payables	134,343	53,200	25,234
Due to Charity	1	51	314
Sundry Payables	4,270,681	322,462	612,041
Accrued audit fee	26,967	12,109	15,200
Sundry Deposit	10,113	10,398	11,648
Due to Mudaraba Depositors	-	-	-
Other Accruals	63,994	33,506	27,596
Other Payables	186,071	210,466	168,284
As at 30 September	10,111,705	1,552,659	1,810,552

The sundry payable account include the money deposited by customers for FGN Sovereign Sukuk as at the reporting date.

JAIZ BANK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER, 2017

19 Owners Equity

A Share capital

(i) Authorised	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
15,000,000,000 Ordinary shares of N1 each (30 September 2017: 15,000,000,000 of N1 each)	15,000,000	15,000,000	13,000,000
As at 30 September	15,000,000	15,000,000	13,000,000

(ii) Issued and Fully paid Share capital	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
14,732,125,000 Ordinary shares of N1 each At 1 January	14,732,125	11,829,700	11,829,700
		2,902,425	2,902,425
As at 30 September	14,732,125	14,732,125	14,732,125

20 Share Premium	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
4,215,259,125 shares issued at 15 kobo premium during the 2012 financial year	627,365	549,886	549,886
		77,479	77,479
CBN Provision (Due from Shareholders)	-		
As at 30 September	627,365	627,365	627,365

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21 Retained Earnings	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Balance at 1 January	(2,103,857)	(1,714,073)	(1,714,073)
Currency Year Adjustment	(1,754)		-
Net profit for the year	779,695	311,272	107,167
Prior year tax adjustments		11,205	11,205
Prior year adjustments	(15,564)		(9,260)
Risk regulatory reserve	-	(618,880)	-
Statutory Reserve		(93,381)	
As at 30 September	(1,341,480)	(2,103,857)	(1,604,961)

22 Risk Regulatory Reserve	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Balance at 1 January	1,360,774	741,894	741,894
Adjustment against retained earnings	-	618,880	-
As at 30 September	1,360,774	1,360,774	741,894

22 Statutory Reserve	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Balance at 1 January	93,381		-
Adjustment against retained earnings	-	93,381	-
As at 30 September	93,381	93,381	-

The Risk Regulatory Reserve is created as required by the Central Bank of Nigeria (CBN) Prudential Guideline section 12.4(a)(i). This is a non distributable reserve which represents the difference between impairment of Risk Asset under IFRS Rules and provisioning under CBN Prudential Guidelines. There was no significant difference between the CBN recommended provision and that of IFRS requirement during the year, hence there wa no transfer.

JAIZ BANK
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	2017		2016	
	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
23 Income from Islamic Finanace				
Murabaha profit Corporate	1,814,132	670,241	1,336,356	558,406
Murabaha profit Retail	554,471	187,324	365,499	135,673
Murabaha Trade Finance	1,524	970	1,544	854
Total profit from Murabaha transactions	2,370,127	858,535	1,703,399	694,933
Ijara wa Iqtina Profit	1,792,516	579,392	1,925,590	626,492
Ijara Finance Lease Profit	74,022	23,331	49,051	28,614
Ijara profit home finance	1,024	327	3,106	748
Ijara Others	653	183	752	315
Total profit from Ijara transactions	1,868,215	603,233	1,978,499	656,169
Istina Profit	77,836	24,481	110,174	42,314
Salam Profit	1,353	1,245	-	65,991
Musharaka Profit	168,730	60,183	122,695	122,695
InterBank Murabaha Income	55,043	40,276	11,753	11,753
Total Income from financing	4,541,304	1,587,953	3,926,520	1,461,873
	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
24 Income from investment activities				
Trading Assets Income	303,974	92,913	-	-
Sukuk profit	120,115	37,827	144,663	46,312
Total Investment income	424,089	130,740	144,663	46,312
	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
25 (i). RETURN ON EQUITY OF INVESTMENT ACCOUNT HOLDERS				
Profit paid to Unrestricted Mudarabah Account Holders / Fees of Mudarib	919,288	332,834	876,566	305,411
Profit from Financing Investments paid to Mudarabah Account Holders	919,288	332,834	876,566	305,411
	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
(ii) Mudarib fees/ profit of Joint Investments				
Bank's fees as Mudarib.	1,767,084	563,188	1,947,172	661,958
Profit from the Bank's Joint Financing investments	2,279,021	822,671	1,247,445	540,816
Bank's fee as Mudarib/Profit of owned Joint Investmets	4,046,105	1,385,859	3,194,617	1,202,774

The Bank operates the Unrestricted type of Mudaraba Investment, in which the Mudarib (the Bank) is authorized by the providers of Funds (Rabbul Mal) to invest their funds in the manner which the Mudarib deems appropriate. Profits are shared as a common Percentage Rate rather than a Fixed amount. The Investments were jointly funded by the Bank and the Equity of Investment Account holders. The amount of N919.29 Million was paid by the Bank to the Mudaraba Account Holders for the nine Months period ending 30th September 2017.

JAIZ BANK
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FOR THE YEAR ENDED 30TH SEPTEMBER, 2017**

	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
26 Fee and commisssion				
Banking Service Fees	616,642	174,428	190,589	57,219
Foreign Exchange Commissions	99,833	12,947	19,650	489
Trade Finance Fees	100,702	39,417	23,106	1,535
Other Operating Income	5	3	-	11,810
	817,182	226,795	233,345	47,433

The cahrges for COT were discontinued effective from July, 2013 in compliance to the directives of CBN and verdict of the Banks Shariah Advisory Committee of Expert (ACE) that it is not in compliance to the principle of Non Interest Banking.

	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
27 Other Operating Income				
Wakala income	110,019	40,000	38,640	-
	110,019	40,000	38,640	-

28 Non Trading Exchange (Loss)/Gain

The Banks' Accounting Policy provides that Monetary Assets & Liabilities denominated in Foreign Currencies been converted in to Naira a the rate of exchange ruling at the Balance sheet date and any differencee thereof be taken to the Statement of Other Comprehensive income.

	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000	9 Month Eneded 30 Sept N'000	3 Month Eneded 30 Sept N'000
29 Staff costs				
Salaries	1,054,143	379,960	853,127	284,869
Staff pension	146,029	12,859	126,006	42,256
Staff allowances	309,793	129,801	387,711	121,765
Medical and other allowance	123,642	42,586	77,054	25,277
Training and Seminar expenses	79,630	41,079	45,038	21,938
	1,713,237	606,285	1,488,936	496,105
30 Depreciation and Amortisation				
Depreciation of Property, Plant & Equipment	340,511	120,418	266,697	96,421
Amortisation of Leasehold Improvement	17,332	11,836	80,167	26,377
Amortisation of Intangible Assets	42,738	14,576	34,898	12,568
	400,581	123,158	381,762	135,366

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31 Other Expenses	9 Month	3 Month	9 Month	3 Month
	Eneded 30 Sept N'000	Eneded 30 Sept N'000	Eneded 30 Sept N'000	Eneded 30 Sept N'000
Advertising and marketing	53,455	16,032	187,315	91,169
Administrative - note 31 (i)	1,320,989	478,227	765,878	357,652
Subscription and Professional fees	32,871	9,235	17,246	6,145
ACE's Expense	41,072	16,315	24,227	13,856
Rental charges (Occupancy Cost)	185,317	64,395	154,912	58,498
Licences	6,581	1,674	70,942	25,705
Bank Charges	37,340	12,286	29,861	9,820
Audit fee & Other Expenses	27,000	9,000	18,370	6,870
Directors expenses	188,522	78,406	104,755	42,784
Others	15,944 -	2,492	914	914
	1,909,091	683,078	1,374,420	613,413

31 (i) Administrative	9 Month	3 Month	9 Month	3 Month
	Eneded 30 Sept N'000	Eneded 30 Sept N'000	Eneded 30 Sept N'000	Eneded 30 Sept N'000
Telephone expenses	1,437	373	11,026	397
Internet connection	122,632	39,770	104,491	65,489
SWIFT/NIBBS Charges	12,887	4,216	13,035	4,204
Courier charges	13,068	3,178	5,779	3,179
Local and foreign travels	44,935	9,108	26,777	9,380
Printing & Stationeries	43,542	18,560	28,507	14,952
Repairs and maintenance	22,908	13,401	45,002	17,414
Security Guards	27,438	14,748	20,969	4,370
Other security expenses	16,113 -	1,921	21,024	8,430
Money and other Insurance	22,867	8,890	15,886	5,621
NDIC Premium	159,201	54,900	110,648	38,651
Fuel Expense	13,027	4,448	9,240	3,483
Vehicle repairs	9,843	3,884	4,546	1,663
Service contract (HR and Admin)	207,017	81,268	120,320	61,908
Data recovery and other software exp	122,149	61,532	105,515	67,988
Donation	150	-	202	-
Newspaper, Magazine & Periodicals	1,251	454	952	442
Entertainment	3,789	1,540	2,791	717
Penalty charge	-	-	100	-
Sundry expenses	29,271	20,226	12,466	6,085
Cash shortage W/O	227	71	213	117
Technical service	214,799	52,438	2,400	800
Generator expenses	43,331	12,054	26,798	13,650
Cleaning expnses	3,078	1,098	10,698	1,254
ATM related expenses	13,514	3,112	8,265	1,110
Sukuk Premium expenses	13,731	4,577	13,770	4,577
ISO 27001	4,454	-	31,393	9,545
Treasury expenses	32,313	10,250	-	-
E-Business expenses	75,894	39,908	-	-
Corporate and retail banking expenses	230	-	-	-
Regulatory expenses	45,893	16,144	13,065	12,226
	1,320,989	478,227	765,878	357,652

JAIZ BANK
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32(a) PROVISION FOR IMPAIRMENT OF FINANCING AND INVESTMENT

Prudential Adjustment for the period ended 30th September 2017

During the period under review, no transfer was made from Statement of Changes in Equity (SCE) to Risk Regulatory Reserve(Non Distributable Reserve).

Provision on Risk Assets

	Specific	General	OKL	TOTAL
	N'000	N'000	N'000	N'000
Provision per CBN Prudential Guideline	976,958	834,657	40,950	1,852,565
Impairment Allowance per IAS 39 (Specific and Collective)	118,106	332,735	40,950	491,791
As at 30,September. 2017	858,852	501,922	-	1,360,774

32 (b) PROVISION FOR IMPAIRMENT OF FINANCING AND INVESTMENT

The Provision for impairment is based on the impairment test conducted by the Bank's Consultants in accordance with the International Accounting Standard (IAS 39). The first table is for the impairment while the second table is for the provision on Risk Assets in accordance to the Central bank of Nigeria's Prudential Guidelines. Under the total Column in International Financial reporting Standard (IFRS) impairment table below, addition of the prior year over impairment charges and impairment for current year makes up the current year charges.

(ii) Impairment by Products (IFRS)

	Murabaha	Musharaka	Qard Hassan	Istisina	Ijara	Salam	Other Assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January	129,079	8,296	-	123,889	98,577	-	62,271	422,112
Re-classification	(145,002)	526	52	-	5,424	-	(21,321)	(160,321)
Impairment for current year	166,149	-	-	60,320	3,101	430	-	230,000
Balance at 31 September	150,226	8,822	52	184,209	107,102	430	40,950	491,791
Notes	6	7	8	9	10	10	15	

(iii) Provision by Products (CBN)

	Murabaha	Musharaka	Qard Hassan	Istisina	Ijara	Salam	Other Assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January	819,591	24,000	2,554	287,372	587,099	-	62,271	1,782,887
Re-classification	(79,001)	-	-	(60,000)	-	-	-	(139,001)
Provision no Longer Required	-	-	-	-	-	-	(21,321)	(21,321)
Impairment for current year	166,149	-	-	60,320	3,101	430	-	230,000
Balance at 31 September	906,739	24,000	2,554	287,692	590,200	430	40,950	1,852,565

33 SIGNIFICANT SHAREHOLDING (5% UNIT & ABOVE)	30-Sep-17		31-Dec-16		30-Sep-16	
	Holdings	%	Holdings	%	Holdings	%
Dantata Investment & Securities Limited	1,410,209,270	12	1,839,684,663	12	1,923,220,476	16
Dantat Aminu Alhassan	618,136,207	5	772,672,258	5	-	-
Islamic Development Bank	1,002,160,494	8	1,253,333,294	9	1,002,160,494	9
Dangote Industries Ltd	1,000,000,000	8	1,250,000,000	8	1,000,000,000	9
Altani Investment Limited	800,000,000	7	1,100,000,000	7	800,000,000	7
Indimi Muhammadu	1,366,906,522	12	1,366,906,522	9	1,366,906,522	12
Mutallab Umaru Abdul	977,722,774	8	1,989,532,234	14	1,430,117,383	12
At 30 September	7,175,135,267	61	9,572,128,971	65	7,522,404,875	64

34 Earnings per share

Basic earnings per share

Basic earnings per share of N0.05kobo (2017:N0.01kobo) is based on the profit attributable to ordinary shareholders of 779,695 (2017:N107,167) and on the ordinary shares of 14,732,125 (2016:14,732,125).

Profit attributable to ordinary shareholders	30-Sep-17 N'000	31-Dec-16 N'000	30-Sep-16 N'000
Profit for the period	779,695	343,017	107,167
Profit attributable to ordinary shareholders	779,695	343,017	107,167
Weighted average number of ordinary shares	30-Sep-17 N'000	31-Dec-16 N'000	30-Sep-16 N'000
Issued ordinary shares at 1 January	14,732,125	14,732,125	14,732,125
Effect of share options exercised	-	-	-
September	14,732,125	14,732,125	14,732,125
Basic earnings per share	0.05	0.02	0.01

There have been no transactions during the year which caused dilution of the earnings per share.

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35 Related parties

(i) Related parties: Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions,

(ii) Transaction with key management personnel: The Bank's key management personnel, and persons connected with them, are also considered related parties. The definition of key management

	RELATED PARTY	RELATIONSHIP WITH THE BANK	N'000 LIMIT	N'000 AMOUNT RECEIVABLE
BELLMARI ENERGY LIMITED	ALIKO DANGOTE	DIRECTOR	96,863,913	96,863,913
FURSA FOODS LTD	ALIKO DANGOTE	DIRECTOR	586,391,087	124,107,293
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	DIRECTOR	216,167,260	215,228,813
DANTATA PLASTIC LTD	AMINU DANTATA	DIRECTOR	83,200,000	80,784,811
DARUL HUDA FOUNDATION	AMINU DANTATA	DIRECTOR	29,390,683	16,436,894
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	DIRECTOR	630,000,000	630,000,000
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	DIRECTOR	95,582,355	125,054,841
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	DIRECTOR	279,995,000	265,736,460
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	DIRECTOR	50,000,000	33,009,700
UMARU ABDUL MUTALLAB	DR. UMARU ABDULMUTALLAB	DIRECTOR	810,000,000	416,856,248
MBS MERCHANTS LTD	FALALU BELLO	DIRECTOR	1,198,448,100	1,506,497,368
AHMAD RUFAI SANI	HRH ENGR. SANI BELLO	DIRECTOR	652,505,252	514,221,115
BELLO MUHAMMAD SANI	HRH ENGR. SANI BELLO	DIRECTOR	80,250,000	80,250,000
MAHE MAHMUD ABUBAKAR	MAHE ABUBAKAR	EXECUTIVE DIRECTOR	4,113,474	655,676
MAHE MAHMUD ABUBAKAR	MAHE ABUBAKAR	EXECUTIVE DIRECTOR	64,350,000	46,796,359
MUKHTAR DANLADI HANGA SANI	MUKHTAR DANLADI HANGA SANI	DIRECTOR	54,000,000	36,809,654
BAZE UNIVERSITY LIMITED	NAFIU BABA-AHMAD	DIRECTOR	200,000,000	88,423,967
Staff Facility	Employee	Employee	1,735,558,049	1,480,437,131
At 30 SEPTEMBER			6,866,815,174	5,758,170,244

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			N'000	N'000
	RELATED PARTY	RELATIONSHIP WITH THE BANK	LIMIT	AMOUNT RECEIVABLE
UMARU ABDUL MUTALLAB	DR. UMARU ABDULMUTALLAB	DIRECTOR	810,000,000	533,207,857
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	DIRECTOR	30,000,000	16,397,665
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	DIRECTOR	50,000,000	33,009,700
NOBLE HALL LIMITED	DR. UMARU ABDULMUTALLAB	DIRECTOR	279,995,000	265,736,460
PENMAN PENSIONS LIMITED	DR. UMARU ABDULMUTALLAB	DIRECTOR	9,800,315	2,788,163
GIDAUNIYAR JIHAR KATSINA	DR. UMARU ABDULMUTALLAB	DIRECTOR	118,416,295	155,686,078
TAMIDAN NIGERIA LIMITED	AMINU DANTATA	DIRECTOR	1,000,004,750	1,045,457,314
DANTATA PLASTIC LTD	AMINU DANTATA	DIRECTOR	83,520,000	69,988,749
DARUL HUDA FOUNDATION	AMINU DANTATA	DIRECTOR	29,390,683	22,424,754
BELLMARI ENERGY LIMITED	ALIKO DANGOTE	DIRECTOR	51,811,722	10,404,040
MUKHTAR DANLADI HANGA SANI	MUKHTAR DANLADI HANGA SANI	DIRECTOR	54,000,000	43,344,702
MBS MERCHANTS LTD	FALALU BELLO	DIRECTOR	1,116,302,000	1,401,170,720
AHMAD RUFAI SANI	HRH ENGR. SANI BELLO	DIRECTOR	77,500,002	88,763,328
AHMAD RUFAI SANI	HRH ENGR. SANI BELLO	DIRECTOR	65,005,250	56,018,283
AHMAD RUFAI SANI	HRH ENGR. SANI BELLO	DIRECTOR	510,000,000	496,675,253
BAZE UNIVERSITY LIMITED	NAFIU BABA-AHMAD	DIRECTOR	160,000,000	136,191,323
	MAHE ABUBAKAR	EXECUTIVE DIRECTOR	68,463,474	55,148,899
MAHE MAHMUD ABUBAKAR	ALIKO DANGOTE	DIRECTOR	81,900,000	90,134,301
FURSA FOODS LTD	Employee	Employee	1,615,198,365	1,362,430,652
Staff Facility				
At 30 SEPTEMBER			6,211,307,857	5,884,978,242

All Investments granted to "Related Parties" were at the same terms & Conditions with those granted to Non-related Parties. The amounts shown as Receivables comprises of the principal

JAIZ BANK
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36 INFORMATION REGARDING DIRECTORS

	30-Sep-17	31-Dec-16	30-Sep-16
	N'000	N'000	N'000
Emoluments			
Fees:			
Chairman	5,000	1250	2,500
Other directors (N500,000 each)	40,000	14000	14,000
Emolument as executives	93,782	62950	10,336
Highest paid director	48,577	32611	36,432

No. of Directors excluding the chairman with gross emoluments within the following ranges were:

N		N		30-Sep-17	31-Dec-16	30-Sep-16
				N'000	N'000	N'000
5,000,000	-	10,000,000		-		-
10,000,001	-	15,000,000		-		-
15,000,001	-	above		2	2	2

37 INFORMATION REGARDING EMPLOYEES

The number of employees excluding Directors in receipt of emoluments excluding allowances in the following ranges were:

N		N		30-Sep-17	31-Dec-16	30-Sep-16
				Number	Number	Number
Below	-	400,000		12		259
400,001	-	500,000		90		50
500,000	-	600,000		51	95	23
600,000	-	700,000		66	15	11
700,000	-	800,000		3	76	-
800,000	-	900,000		-	42	-
900,000	-	1,000,000		-		-
1,000,000	-	5,000,000		190	272	27
5,000,000	-	10,000,000		2	69	-
Above	-	10,000,000		-	24	-
				-		-

Number of persons employed as at the end of the year were:

	30-Sep-17	31-Dec-16	30-Sep-16
	Number	Number	Number
<i>Managerial</i>	10	24	11
<i>Senior</i>	53	69	50
<i>Junior</i>	351	500	309
	414	593	370

38 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting date which could have had a material effect on the financial statements as at 30 September 2017.

39 CARD ISSUANCE AND USAGE IN NIGERIA AS AT 30 SEPTEMBER 2017

In line with Sec.11 of the CBN Circular on The Guidance for issuance and usage of cards in Nigeria, below is the Bank's information on it's Card

CARD TYPE	TRANSACTION VOLUMES	2017	
		TRANSACTION VALUE N'000	
MASTER CARD	235,986	2,783,768,017	
VERVE DEBIT CARD	2,210,666	27,121,026,253	
	2,446,652	29,904,794,271	

CARD TYPE	TRANSACTION VOLUMES	2016	
		TRANSACTION VALUE N'000	
MASTER CARD	4,501	43,138,224	
VERVE DEBIT CARD	1,664,109	19,913,429,534	
	1,668,610	19,956,567,758	

40 COMPLAINTS DATA

In line with CBN circular Ref FPR/DIR/CIR/GEN/01/020, below are the customer complaints data for the year:

(i) ATM complaints data- 30 September 2017

	JAIZ BANK'S MACHINE	OTHER BANKS' MACHINE
Number of complaints	63	165
Number of complaints resolved	62	157
Number of complaints unresolved	1	8
Amounts in dispute (N'000)	769,000	2,947,023

(i) ATM complaints data- 31 December 2016

	JAIZ BANK'S MACHINE	OTHER BANKS' MACHINE
Number of complaints	19	32
Number of complaints resolved	19	30
Number of complaints unresolved	-	2
Amounts in dispute (N'000)	66,000	34,000

41 FINANCING ANALYSIS

(i) By Performance

	2017 N'000	2016 N'000
Performing	33,711,760,316	31,262,655,422
Non Performing	-	-
Substandard	312,241,188	464,837,944
Doubtful	985,014,516	606,160,211
Lost	673,783,452	573,041,825
	35,682,799,472	32,906,695,402

(ii) By Security

	2017 N'000	2016 N'000
All Asset Debenture	137,870,833	127,144,550
Corporate Guarantee	567,353,008	523,213,226
Personal Guarantees	89,877,637	82,885,202
Pledge of Asset/Lien of Assets	157,334,888	145,094,312
Deposit of Title Deeds	71,373,776	65,820,931
Legal Mortgage	22,199,704,614	20,472,578,625
Equitable Mortgage	2,552,764,399	2,354,160,597
Salary Domiciliation/ lien of Assets	4,672,294,911	4,308,792,688
Post Dated Cheques	86,109,165	79,409,914
Clean/Staff Qard Hassan	122,190,029	112,683,706
Hypothecation of Goods	130,045	119,928
Simple Deposit of Title	3,847,021,160	3,547,724,825
Irrevocable Standing Payment Order/Letter of comfort	110,417,821	101,827,369
Domiciliation of Contract proceeds	1,068,357,187	985,239,528
	35,682,799,472	32,906,695,402

(iii) By Location

	2017	2016
	N'000	N'000
Head Office	2,136,999,644	2,305,002,827
Abuja	12,882,980,244	13,244,784,704
Kano	2,287,650,650	2,803,274,577
Kaduna	3,344,095,326	3,535,834,777
Gombe	244,015,538	339,379,263
Maiduguri	78,155,488	78,739,152
Kano 2	3,673,326,679	2,463,409,014
Katsina	2,063,589,339	1,592,686,243
NASS	1,142,611,987	1,193,854,693
Wuse	3,126,335,072	2,807,302,381
Gusau	794,902,414	883,021,586
ATBU	7,128,893	38,338,764
Sokoto	305,023,613	260,351,162
Zoo Road	442,395,909	147,548,083
Kabuga	57,599,093	51,077,562
NNPC	562,817,609	316,967,675
Bauchi	95,071,400	50,470,006
Yola	59,043,298	303,871,061
Kaduna 2	49,404,196	42,688,334
Bannex	112,926,423	32,391,726
Ikeja	890,513,921	258,936,512
Ibadan	13,376,381	-
Ilorin	258,614,817	-
Port Harcourt	49,184,321	-
Gwarimpa	166,633,761	4,150,884
Samaru	511,039,436	5,229,896
Hotoro	65,206,661	-
Kebbi	4,862,359	-
Marina	43,536,079	-
Lokoja	91,568,894	-
Staff Qard	122,190,029	147,384,524
	35,682,799,472	32,906,695,402

(iv) By Product

	2017	2016
	N'000	N'000
Murabaha Corporate	8,862,927,582	7,005,956,893
Ijarah Wa Iqtina Corporate	6,879,615,421	6,772,197,478
Musharakah	1,200,000,000	1,200,000,000
Salam	21,476,767	-
Qard Hassan	122,190,029	147,384,524
Murabaha Household Appliance	173,490,298	112,631,927
Murabaha Auto Finance	1,366,837,134	1,541,793,915
Ijarah Auto Finance	31,232,950	26,357,353
Ijarah Home Finance	6,194,813,682	5,759,170,003
Ijarah Service	883,052,209	1,070,872,740
Murabaha Retail/Gen.	8,952,930,240	8,004,491,531
Istisna	994,233,161	1,265,839,038
	35,682,799,472	32,906,695,402

<i>(v) By Sector</i>	2017	2016
	N'000	N'000
Agriculture	2,720,666,742	2,117,684,907
Real estate	8,570,512,565	7,900,658,731
Manufacturing	1,326,110,251	475,712,848
Education	1,060,624,553	1,100,482,034
Wholesale trading	0	0
Construction	2,527,189,265	2,642,280,507
Information technology	295,054,031	384,619,913
General	8,170,867,720	7,309,143,087
Oil and Gas	4,995,545,251	3,188,388,135
Retail	5,915,431,144	6,980,156,792
Transport	98,479,968	804,479,318
	35,682,799,472	32,906,695,402

<i>(vi) By Category</i>	2017	2016
	N'000	N'000
Corporate	26,241,342,922	23,554,806,975
Retail	9,441,456,551	9,351,888,427
	35,682,799,472	32,906,695,402

<i>(vii) By Age</i>	2017	2016
	N'000	N'000
0 - 30 days	7,353,863	457,752
31 - 60 days	703,708,207	99,600,214
61 - 90 days	377,928,514	91,075,180
91 - 180 days	2,818,658,057	1,013,740,756
180 - 360 days	4,307,981,920	4,844,609,822
Over 30 days	27,467,168,910	26,857,211,679
	35,682,799,472	32,906,695,402

42 LEGAL CLAIMS, CONTINGENT LIABILITIES AND COMMITMENTS

(i) Legal Claims

During the period under review the Bank in its ordinary course of business was involved in 13 cases. The Directors having sought the advice of professional legal counsel are of the opinion that based on the advice received, only one may crystallize against the bank. The case with suit no BOHCMA/C/65/16 of USMAN MOHAMMED ADAMU V. JAIZ BANK PLC at Borno State High Court, Maiduguri. with a potential liability of N600,000.00.

(ii) Contingent Liabilities

	2017	2016
	N'000	N'000
Advanced Payment Guarantees	3,046,843	897,304
Letters of Credit		1,660,000
Bonds and Guarantees	2,692,703	1,204,175
Wakala	7,505,721	-
	13,245,268	3,761,479

(iii) Capital Commitments

There were no capital commitments at the end of the reporting period of 30 September, 2017

(iv) Guarantees and other Financial Commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the company's financial position, financial performance and cash flows have been taken into account in the preparation of these financial statements.

43 OPERATING SEGMENTS INFORMATION

For reporting purposes, the Bank is organised into business segments and has reportable operating segments as follows:

Corporate Banking

Retail Banking

Resources are allocated based on the business segments and Management reviews the segments on periodic basis to assess their performance. The Chief Operating Decision Maker of the Bank is the Management Committee, which reviews and allocates the necessary resources for the achievement of the Bank's objectives.

As at 30 September 2017	Corporate Banking	Retail Banking	Total
	N'000	N'000	N'000
Cash Balance	3,542,780		3,542,780
Cash and Balance with Central Bank of Nigeria	17,618,197		17,618,197
Due from Banks and Financial Institution	8,417,245		8,417,245
Sukuk	6,068,953		6,068,953
Murabaha Receivables	13,589,711	4,151,694	17,741,405
Investment in Musharaka	1,191,178		1,191,178
Investment in Qard Hassan	122,138		122,138
Investment in Istisna	700,600		700,600
Investment in Salam Asset	19,924	-	19,924
Investment in Ijara Asset	6,572,794	7,306,711	13,879,505
Investment in Asset Held for Sale	764,432	-	764,432
Property, Plant and Equipment	2,073,124		2,073,124
Leasehold Improvement	37,222		37,222
Intangible Assets	355,341		355,341
Other Assets	7,794,441		7,794,441
Deferred Taxation	1,772,577		1,772,577

Total Assets	70,640,657	11,458,405	82,099,062
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	Corporate Banking	Retail Banking	Total
As at 31 December 2016	N'000	N'000	N'000
Cash and Balance with Central Bank of Nigeria	19,191,993		19,191,993
Due from Banks and Financial Institution	1,369,976		1,369,976
Sukuk	1,108,290		1,108,290
InterBank Murabaha	1,011,754		1,011,754
Murabaha Receivables	10,700,651	3,816,187	14,516,838
Investment in Musharaka	1,187,000		1,187,000
Investment in Qard Hassan	147,369		147,369
Investment in Istisna	832,500		832,500
Investment in Ijara Asset	6,703,527	6,708,688	13,412,215
Investment in Asset Held for Sale	364,079		364,079
Property, Plant and Equipment	1,709,885		1,709,885
Leasehold Improvement	54,160		54,160
Intangible Assets	371,652		371,652
Other Assets	5,714,520		5,714,520
Deferred Taxation	1,726,574		1,726,574
Total Assets	52,193,930	10,524,875	62,718,805

The Investments in Islamic Finance are shown here as Gross, while on the face of Statement of Financial position they are shown as Net of Impairment and Deferred Profit, in line with AOAFII requirements. This account for the difference between the Balance sheet size in the Notes to the Account and what was shown on the face of the Statement of Financial Position.

44 CONTRAVENTION OF CBN GUIDELINES

	2017	2016
	N'000	N'000
KYC deficiencies in some customers' files.	-	2,000
Approval of PEP account opening	-	2,000
No AML/CFT Training Plan for 2015	-	2,000
Transaction monitoring	-	2,000
Late Rendition of eFASS daily returns for 13th & 18th November 2015 and 11th & 13th January	-	100
Late Rendition of eFASS daily returns for 11 & 12 May, 2016	-	50
The bank's exposure to a Director exceeded the maximum 10% stipulated by CBN	-	2,000
Compliance/AML-CFT in contravention of Section 9.1 (b) of Money Laundering Act 2011	-	2,000
Enhance Due Diligence (EDD)	-	2,000
Breached of CBN approved foreign currency trading position limit	-	2,000
Differences observed in its foreign currency trading position	-	2,000
Non-rendition of Foreign Exchange Utilization Returns (DIR 305)	-	4,000
Non-rendition of eFASS daily returns for June 29, 2016 by Fincon	-	25
Late Rendition of eFASS daily returns for 3rd and 25th January, 2017	50	-
Failure to repatriate outstanding balance of export proceeds valued \$12,422.80 against Alhaji Bukar Bakki & Sons L	2,000	-
Disbursement of facilities to Government Agencies prior to obtaining the Finance Ministry consent.	2,000	-
Failure to submit quarterly updates on the implementation of auditors' recommendation, and its failure to implemen	2,000	-
Penalty for unmatured fx forwards utilisation	2,000	-
	8,050	-
	16,100	22,175