



FIDELITY BANK PLC

CONDENSED UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS

MARCH 2018

STATEMENT TO THE NIGERIA STOCK EXCHANGE ON THE BANK'S UNAUDITED
RESULTS FOR THE PERIOD ENDED 31 MARCH 2018
INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2018

		31 March 2018 N'million	31 March 2017 N'million	31 December 2017 N'million
Gross Earnings	NOTE	43,680	40,842	179,896
Interest and similar income	4	38,466	36,230	150,742
Interest and similar expense	5	(21,499)	(19,673)	(79,278)
Net interest income		16,967	16,557	71,464
Impairment charge for credit losses	6	(702)	(750)	(11,315)
Net interest income after impairment charge for credit losses		16,265	15,807	60,149
Fee and commission income	7	4,658	4,600	18,229
Fee and commission expense	7	(1,026)	(1,128)	(3,674)
Net gains / (losses) from financial instruments classified as held for trading	8	(352)	(77)	348
Net gains/(losses) on investment securities	9	0	0	0
Other operating income	10	556	12	10,925
Other operating expenses	11	(15,119)	(14,365)	(65,675)
Share of profit / (loss) of associates accounted for using the equity method				
Profit before income tax from continuing operations		4,982	4,849	20,302
Profit before income tax from continuing operations		4,982	4,849	20,302
Income tax expense from continuing operations		(355)	(533)	(1,445)
Profit after income tax from continuing operations		4,627	4,316	18,857
PROFIT FOR THE PERIOD		4,627	4,316	18,857
Profit attributable to:				
Equity holders of the bank		4,627	4,316	18,857
Non-controlling interests				
Earnings per share for profit attributable to owners of the parent				
Basic (kobo)	12	16	15	65

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2018

	31 March 2018 N'million	31 March 2017 N'million	31 December 2017 N'million
PROFIT FOR THE PERIOD	4,627	4,316	18,857
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Net gains/(losses) on Fair Value through OCI assets	0	0	0
- Unrealised net gains/(losses) arising during the period	(429)	(1,037)	3,732
- Net reclassification adjustments for realised net gains/(losses)	0	0	(622)
Tax effect of revaluation of equity financial assets	0	0	0
Items that may not be reclassified subsequently to profit or loss			
Remeasurement Gains/(losses)	0	0	0
Share of other comprehensive income of associates	0	0	0
Tax effect of other comprehensive income of associates	0	0	0
Other comprehensive income for the period, net of tax	(429)	(1,037)	3,110
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,198	3,279	21,967
Total comprehensive income attributable to:			
<i>Equity holders of the bank</i>			
Non-controlling interests			

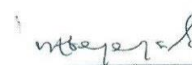
		31 March 2018 N'million	31 March 2017 N'million	31 December 2017 N'million
ASSETS	Note			
Cash and balances with central banks	13,14	303,444	219,006	269,625
Due From Banks		103,995	44,690	52,287
Loans and advances to customers	15	738,727	730,448	768,737
Investments:				
Fair Value through Profit or Loss	16	16,729	16,001	20,639
Fair Value through Other Comprehensive Income	16	130,304	78,435	76,815
Amortized Cost	16	104,510	145,926	108,784
Property and equipment		36,584	39,166	38,504
Intangible assets		902		629
Other assets	17	44,469	37,183	43,194
TOTAL ASSETS		1,479,665	1,310,854	1,379,214
LIABILITIES				
Deposits from customers	18	859,358	800,247	775,276
Current income tax liability		1,514	1,327	1,445
Deferred income tax liability		0	0	0
Other liabilities	19	119,483	54,463	73,651
Liabilities included in assets classified as held for sale				
Retirement benefit obligations		0	0	0
Other Borrowed Funds	20	28,496	44,196	35,529
On-Lending Facilities	21	117,081	100,671	112,294
Debt Issued Securities	22	174,073	120,736	177,704
TOTAL LIABILITIES		1,300,004	1,121,640	1,175,899
EQUITY				
Share capital		14,481	14,481	14,481
Share premium		101,272	101,272	101,272
Retained earnings		30,308	30,767	25,326
Other reserves				
Statutory reserve		27,305	24,476	27,305
SSI Reserve		764	764	764
Contingency reserve		0	0	0
Non-distributable reserve		632	16,271	28,837
Revaluation reserve		4,901	1,183	5,330
		179,662	189,214	203,314
Non-controlling interest				
Total equity		179,662	189,214	203,314
TOTAL EQUITY & LIABILITIES		1,479,666	1,310,854	1,379,213

The accompanying notes to the financial statements are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 27 April 2018 and signed on its behalf by:



Nnamdi Okonkwo
Managing Director/ Chief Executive Officer
FRC/2013/ICANI/0000006963



Victor Abejegah
Chief Financial Officer
FRC/2013/ICAN/0000001733

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

Attributable to equity holders



	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory reserve	available-for-sale reserve	Remeasurment reserve	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
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 losses arising during the year	-	-	-	-	-	-	(1,037)	-	(1,037)
Net reclassification adjustment for realised net (gains)	-	-	-	-	-	-	-	-	-
Net reclassification adjustments for realised net gains/(losses)	-	-	-	-	-	-	-	-	3,812
Total comprehensive income	14,481	101,272	30,767	24,476	764	16,271	1,183	-	189,214
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers between reserves (Note 32)	-	-	-	-	-	-	-	-	-
At 31 March 2017	14,481	101,272	30,767	24,476	764	16,271	1,183	-	189,214
Profit for the year	-	-	14,008	-	-	-	-	-	14,008
Other comprehensive income									
Unrealised net losses arising during the year	-	-	-	-	-	-	4,769	-	4,769
Net reclassification adjustment for realised net (gains)	-	-	-	-	-	-	(622)	-	(622)
Net reclassification adjustments for realised net gains/(losses)	-	-	-	-	-	-	-	-	-
Total comprehensive income			(4,055)	2,829	-	12,566	-	-	4,055
Dividends paid	-	-	(15,395)	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-
At 31 December 2017	14,481	101,272	25,326	27,305	764	28,837	5,330	-	203,314
At 1 January 2018	14,481	101,272	25,326	27,305	764	28,837	5,330	-	203,314
IFRS 9 transition adjustment	-	-	-	-	-	(28,205)	-	-	(28,205)
Profit for the year	-	-	4,982	-	-	-	-	-	4,982
Other comprehensive income									
Unrealised net losses arising during the year	-	-	-	-	-	-	(429)	-	(429)
Net reclassification adjustment for realised net (gains)	-	-	-	-	-	-	-	-	-
Net reclassification adjustments for realised net gains/(losses)	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	4,982	-	-	(28,205)	(429)	-	(23,652)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers between reserves (Note 32)	-	-	-	-	-	-	-	-	-
At 31 March 2018	14,481	101,272	30,308	27,305	764	632	4,901	-	179,662

STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 MARCH 2018



	Note	Mar 2018 N'million	Mar 2017 N'million
Operating Activities			
Cash flows used in operations		94,490	(3,890)
Interest received		44,579	42,332
Interest paid		(16,715)	(15,745)
Retirement benefits paid		-	-
Paid to staff in respect of Staff gratuity		-	-
Income tax paid		(199)	-
Net cash flows used in operating activities		122,155	22,698
Investing activities			
Purchase of property, plant and equipment		(488)	(812)
Proceeds from sale of property and equipment		14	27
Purchase of intangible assets		(109)	0
Proceeds from sale of intangible assets		-	-
Proceeds from sale of unquoted securities		-	-
Purchase, Sale and redemption of financial assets		(45,305)	(27,763)
Dividends received		38	-
Net cash flows provided by investing activities		(45,850)	(28,548)
Financing activities			
Dividends paid		-	-
Repayment of long term borrowings		(7,033)	(2,298)
Proceeds of debts issued and other borrowed funds		-	10,019
Repayment of debts issued and other borrowed funds		(3,631)	-
Net cash flows from financing activities		(10,664)	7,721
Net increase/decrease in cash and cash equivalents		65,641	1,871
Net foreign exchange difference on cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		87,886	86,015
Cash and cash equivalents at 31 December		206,535	87,886

The accompanying notes to the financial statements are an integral part of these financial statements.

FIDELITY BANK PLC

NOTES TO THE FINANCIAL STATEMENTS

1. General information

These financial statements are the financial statements of Fidelity Bank Plc (the "Bank"), a company incorporated in Nigeria on 19 November 2007. 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 The financial statements for the year ended 31 December 2017 were approved for issue by the Board of Directors on 19 April 2018.

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

2.1.1 Basis of preparation

Statement of Compliance

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the

The financial statements have been prepared in accordance with the going concern principle and under the historical cost convention, except

The financial statements are presented in Naira, which is the Bank's presentation and functional currency. The figures shown in the financial

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

ESTIMATES AND ASSUMPTIONS

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of *Impairment of loans and advances*

Financial assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy Note 2.11

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

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

Determination of collateral value

Management monitors fair value of collateral on a regular basis. Management uses its experienced judgement on independent opinion to adjust

The Directors believes that the underlying assumptions are appropriate and that the Bank's financial statements therefore present the financial

2.2 A STANDARDS/ AMMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed. The nature and the impact of each new standard/amendment are described below:

- *IFRS 15 - Revenue from Contracts with Customers*

On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces the previous revenue standard IAS 18

Additional disclosures will be required in order to explain any significant changes between reported results and results had the previous

- *IFRS 16 - Leases*

IFRS 16 – Leases was issued in January 2016 and will replace IAS 17 – Leases. The new standard is effective for annual periods beginning on The Bank plans to adopt IFRS 16 on the required effective date, as this Bank has leases which qualifies to be treated in line with this standard.

- *IFRS 17 Insurance Contracts*

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. IFRS 17 is effective for reporting periods starting on or after 1 January 2021, with comparative figures required. Early application is permitted. The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period

- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts,
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of

- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non- distinct investment components)
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks

IFRS 17 will have no impact on the Bank, as it does not have Insurance contract.

• *IFRS 9 - Financial instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and

Debt instruments

The standard requires that we classify debt instruments based on our business model for managing the assets and the contractual cash flow
The Bank analyzed the contractual cash flow characteristics of cash and balances with central bank, due from banks and loans and advances to

Under IAS 39, the Bank's Equity instruments are classified as either held for trading or available for sale, while some were carried at cost where

Impairment of Financial Assets, Loan Commitments and Financial Guarantee Contracts

The ECL is computed using a 12-month PD that represents the probability of default occurring over the next 12 months. For those assets with a

The impairment requirements of IFRS 9 are complex and require management judgments, estimates and assumptions, particularly in the areas

Significant increase in credit risk Under IFRS 9, when determining whether the credit risk (i.e., risk of default) on a financial instrument has

Transition impact

Impacts on Governance and Controls

- *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4*
Effective for annual periods beginning on or after 1 January 2018.

Key requirements

Transition

Impact

- *IFRS 2 Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2* .

Effective for annual periods beginning on or after 1 January 2018.

Key requirements

- The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-

- *Transfers of Investment Property (Amendments to IAS 40)*

Effective for annual periods beginning on or after 1 January 2018.

- *Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed

- *Amendments to IAS 19: Plan amendment, curtailment or settlement*

On 7 February 2018, the IASB issued amendments to the guidance in IAS 19, 'Employee Benefits', in connection with accounting for plan

- *IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration*

Effective for annual periods beginning on or after 1 January 2018

Key requirements

Transition

- *IFRIC Interpretation 23 Uncertainty over Income Tax Treatments*

Effective for annual periods beginning on or after 1 January 2019

Scope

Transition

Impact

Annual improvement 2014-2016 cycle (issued in December 2016)

- IFRS 1 First-time Adoption of International Financial Reporting

- IAS 28 Investments in Associates and Joint Ventures

2.2 B New standards, interpretations and amendments issued and effective.

The accounting policies adopted in the preparation of the 2016 financial statements are consistent with those followed in the preparation of the

The following new standards and amendments became effective as of 1 January 2017:

- IAS 7 Disclosure Initiative – Amendments to IAS 7
Changes from financing cash flows
The Bank disclosed information about its interest-bearing loans and borrowings that will affect financing cash flows.
- Amendments to IAS 12- Recognition of Deferred Tax Assets for Unrealised Losses
- IFRS 12 Disclosure of Interests in Other Entities

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 financial statements are presented in Naira, 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

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange

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

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of

2.5 Determination of fair value

The Bank measures financial instruments such as investments in bonds, treasury bills and unquoted equities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy,

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Bank determines whether transfers have

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from

2.6 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

2.7 Renegotiated loans

2.8 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the

2.9 Collateral repossessed

The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be

2.10 Revenue recognition

Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'Interest and similar income' and 'Interest and

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the

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

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

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 profit or loss in 'Other operating income' when the Bank's right to receive payment is established.

2.12 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer

2.13 Statement of cash flows

The Statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing
The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such

The Bank's assignment of the cash flows to operating, investing and financing category depends on the Bank's business model (management

2.14 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash on hand,

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

2.15 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

Leases are divided into finance leases and operating leases.

(a) The Bank 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

(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

(b) The Bank 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 incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

2.16 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

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values

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
Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or

2.17 Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly

- 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
- 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

Direct computer software development costs recognised as intangible assets are amortised on the straight-line basis over 3 years and are carried

2.18 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

(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

(b) Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and Tax assessments are recognized when assessed and agreed to by the Bank with the Tax authorities, or when appealed, upon receipt of the results

2.19 Employee benefits

Defined contribution scheme

For defined contribution plans, the Bank pays contributions to publicly or privately administered pension insurance plans on a contractual basis.

2.20 Provisions

Provisions for legal claims are recognised when: the Bank has a present legal or constructive obligation as a result of past events; it is more

2.21 Financial guarantee contracts

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial

2.22 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

(b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the year 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

2.23 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in

The Bank has three (2016: four) reportable segments, as follows:

Retail banking

The Retail banking segment offers a comprehensive range of retail, personal and commercial services to individuals, small and medium

Corporate banking

The Corporate banking segment offers a comprehensive range of commercial and corporate banking services to the corporate business

Investment banking

The Bank's Investment Banking segment is involved in the funding and management of the Bank's securities, trading and investment decisions

Public sector

Public sector was a segment as at 31 December 2016, but is no longer a segment in 2017. The Public sector offers a wide variety of services to Refer to Note 5 for the segment information.

1 Significant accounting policies

1.1 Changes in accounting policies

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

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

Consequently, for notes disclosures, the amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in the Bank's accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Bank. Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous IAS 39 accounting policies applied in the comparative period) are described in more detail in 1.2 below.

1.2 Classification and measurement of financial instruments

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at 1 January 2018 are compared as follows:

	IAS 39		IFRS 9	
	Measurement category	carrying amount	Measurement category	carrying amount
Financial Assets				
	Amortised cost			
Cash and balances with central banks	(Loans and receivables)	269,625	Amortised cost	269,625
	Amortised cost			
Due from banks	(Loans and receivables)	52,287	Amortised cost	52,287
	Amortised cost			
Loans and advances to banks	(Loans and receivables)	768,737	Amortised cost	740,532
Investments:				
	Held for trading			
Held for trading (fair value through profit or loss)	(fair value through profit or loss)	20,639	FVPL (Mandatory)	20,639
Available for sale	Available for sale	76,815	FVOCI	76,815
Available for sale	Available for sale	-	Amortised cost	-
Held to maturity	Held to maturity	108,784	Amortised cost	108,784
	Amortised cost			
Other assets	(Loans and receivables)	43,194	Amortised cost	43,194
Financial liabilities				
Deposits from customers	Amortised cost	775,276	Amortised cost	775,276
Other liabilities	Amortised cost	109,180	Amortised cost	109,180
Debts issued and other borrowed funds	Amortised cost	177,704	Amortised cost	177,704

There were no changes to the classification and measurement of financial liabilities

1.3 Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9 on 1 January 2018:

R				IFRS 9
e	IAS 39 carrying	Reclassifications	Remeasureme	carrying
f	amount		nts	amount

Amortised cost				
Cash and balances with central banks				
Opening balance under IAS 39	269,625	-	-	269,625
Remeasurement: ECL Allowance	-	-	-	-
Closing balance under IFRS 9	269,625	-	-	269,625
Due from banks				
Opening balance under IAS 39	52,287	-	-	52,287
Remeasurement: ECL Allowance	-	-	-	-
Closing balance under IFRS 9	52,287	-	-	52,287
Loans and advances to banks				
Opening balance under IAS 39	768,737	-	-	768,737
Remeasurement: ECL Allowance	-	-	(28,205)	(28,205)
Closing balance under IFRS 9	768,737	-	(28,205)	740,532
Investment - Available for sale				
Opening balance under IAS 39	76,815	-	-	76,815
Subtraction: To FVOCI - equity instruments	-	-	-	-
Remeasurement: ECL Allowance	-	-	-	-
Closing balance under IFRS 9	76,815	-	-	76,815
Investment - Held to maturity				
Opening balance under IAS 39	108,784	-	-	108,784
Remeasurement: ECL Allowance	-	-	-	-
Closing balance under IFRS 9	108,784	-	-	108,784
Other assets				
Opening balance under IAS 39	43,194	-	-	43,194
Remeasurement: ECL Allowance	-	-	-	-
Closing balance under IFRS 9	43,194	-	-	43,194
Total Financial assets measured at amortised cost	1,319,442	-	(28,205)	1,291,237
Fair Value through profit or loss (FVTPL)				
Investment -Held for trading (fair value through profit or loss)				
Opening balance under IAS 39	20,639	-	-	20,639
Remeasurement: ECL Allowance	-	-	-	-
Closing balance under IFRS 9	20,639	-	-	20,639
Total financial asset measured at FVPL	20,639	-	-	20,639
Fair value through other comprehensive income (FVOCI)				
Investment securities - FVOCI (debt instruments)				
Opening balance under IAS 39	70,273	-	-	70,273
Subtraction: To amortised cost (IFRS 9)	-	-	-	-
Subtraction: To investment securities - FVOCI (equity instrum	-	-	-	-
Remeasurement: ECL Allowance	-	-	-	-
Closing balance under IFRS 9	70,273	-	-	70,273
Investment securities - FVOCI (equity instruments)				
Opening balance under IAS 39	6,542	-	-	6,542
Subtraction: To amortised cost (IFRS 9)	-	-	-	-
Subtraction: To investment securities - FVOCI (debt instrumen	-	-	-	-
Addition: From available for sale (IAS 39) - designated	-	-	-	-

Closing balance under IFRS 9	6,542	-	-	6,542
Total financial assets measured at FVOCI	76,815	-	-	76,815

	31 March 2018 N'million	31 March 2017 N'million	As at 31 December 2017 N'million
4.0 Interest and similar income			
Loans and advances to customers	27,125	25,519	109,388
Treasury bills and other investment securities:			
-Fair Value through Profit and Loss	787	1,246	3,323
-Fair Value through OCI	5,300	4,527	17,066
-Amortized Cost	3,938	3,595	16,107
Advances under finance lease	1,219	1,271	4,703
Placements and short term funds	97	72	155
	38,466	36,230	150,742
5.0 Interest and similar expense			
Term deposits	13,741	13,300	52,230
Debt issued and other borrowed funds	5,588	3,769	16,819
Current accounts	644	952	3,368
Savings deposits	1,526	1,648	5,688
Inter-bank takings	0	4	1,173
	21,499	19,673	79,278
6.0 Impairment charge	(702)	(750)	(11,315)
7.0 Net fee and commission income			
Commission on E-banking activities	460	706	1,764
Maintenance charge	637	542	2,602
Commission on travellers cheque and foreign bills	550	373	1,919
Commission and fees on banking services	121	232	706
Commission and fees on NXP	194	29	633
Credit related fees	199	243	753
ATM charges	825	853	3,474
Remittance fees	39	69	89
Letters of credit commissions and fees	312	239	1,451
Commission on fidelity connect	316	502	1,524
Commissions on off-statement of financial position transactions	350	291	839
Collection fees	88	130	748
Telex fees	167	74	546
Cheque issue fees	46	51	194
Other fees and commissions	355	265	987
Fee and commission income	4,658	4,600	18,229
Fee and commission expense	(1,026)	(1,128)	(3,674)
Net fee and commission income	3,632	3,473	14,555
8.0 Net gains from financial instruments classified as held for trading through profit and loss			
Net gains arising from:			
Bonds	(252)	22	425
Treasury bills	(100)	(99)	(77)
	(352)	(77)	348

9.0 Gain/Loss on investment securities

Equities investment in subsidiaries that were disposed

	31 March 2018 N'million	31 March 2017 N'million	At 31 December 2017 N'million
10.0 Other operating income			
Net foreign exchange gains	146	(50)	9,490
Dividend income	38	0	891
Profit on disposal of unquoted securities	0	0	83
Loss on disposal of property, plant and equipments	14	(0)	0
Other income	358	62	461
	<u>556</u>	<u>12</u>	<u>10,925</u>

	31 March 2018 N'million	31 March 2017 N'million	At 31 December 2017 N'million
11.0 Other operating expenses			
Banking sector resolution cost	1,766	1,540	6,502
Marketing, communication & entertainment	1,350	1,928	8,173
Deposit insurance premium	906,73	805	3,627
Contractor compensation	894	827	3,522
Repairs and maintenance	652	691	2,583
Computer expenses	944	439	2,407
Security expenses	306	310	1,256
Training expenses	91	38	221
Corporate finance expenses	168	108	474
Litigations and claims	-	0	0
Bank charges	67	38	188
Legal expenses	89	71	202
Consultancy expenses	184	110	695
Travelling and accomodation	155	130	695
Telephone expenses	26	27	108
Postage and courier expenses	17	18	78
Insurance expenses	99	85	380
Office expenses	96	92	390
Cash movement expenses	191	135	711
Stationery expenses	66	65	269
Rent and rates	219	176	861
Directors' emoluments	96	56	370
Electricity	114	96	440
Auditors' remuneration	50	38	216
Other expenses	729	378	2,399
Personnel expenses (Note 11.1)	5,072	5,256	24,535
Depreciation & Amortization	769	910	4,373
	<u>15,119</u>	<u>14,365</u>	<u>65,675</u>

	31 March 2018 N'million	31 March 2017 N'million	At 31 December 2017 N'million
11.1 Personnel expenses			
Salaries and wages	5,072	5,256	21,817
End of the year bonus (see note 29)			2,200
Pension costs (Note 27):			
- Staff Gratuity Plan	-	0	0
- Staff Retirement benefit plan	-	0	0
- Pension contribution			518
	<u>5,072</u>	<u>5,256</u>	<u>24,535</u>

	31 March 2018 N'million	31 March 2017 N'million	As at N'billi	31 December 2017 N'million
12.0 Earnings per share				
12.0 Basic and Diluted				
Basic earnings per share is calculated by dividing the net profit	16	15		65
Profit/(loss) attributable to equity holders of the Bank	4,627	4,316		18,857
Weighted average number of ordinary shares in issue	28,962	28,962		28,962
Basic & Diluted earnings per share (expressed in kobo per share per annum)	16	15		65

	31 March 2018 N'million	31 March 2017 N'million	As at N'billi	31 December 2017 N'million
13.0 Cash and balances with central bank				
Cash	23,537	18,244		27,534
Balances with central bank other than mandatory reserve deposits	79,003	24,952		61,074
Included in cash and cash equivalents	102,540	43,196		88,608
Mandatory reserve deposits with central bank	200,904	175,810		150,789
Special cash reserve (see note 18.2 below)	0	0		30,228
Carrying amount	303,444	219,006		269,625

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.

	31 March 2018 N'million	31 March 2017 N'million	As at N'billi	31 December 2017 N'million
14.0				
Cash and balances with central bank	102,540	43,196		88,608
Loans and advances to banks	103,995	44,690		52,287
Total cash and cash equivalents	206,535	87,886		140,895

	31 March 2018 N'million	31 March 2017 N'million	As at N'billi	31 December 2017 N'million
15.0 Loans and advances to customers				
Overdrafts	73,501	70,949		64,964
Term loans	692,577	659,315		704,024
Advances under finance lease	28,136	25,652		26,327
Other loans	0	0		0
Impairment	(55,487)	(25,468)		(26,578)
	738,727	730,448		768,737

16.0 Investments

	31 March 2018 N'million	31 March 2017 N'million	As at N'billi	31 December 2017 N'million
Debt and equity securities				
16.1 Fair value through profit and loss				
Treasury bills - At fair value through profit and loss	15,801	14,436		18,337
Federal Government bonds - At fair value through profit and loss	928	1,565		2,302
Corporate Bonds-At fair value through profit and loss	0	0		0
State Bonds- At Fair value through profit and loss	0	0		0
Listed equity investments - At fair value through profit and loss	0	0		0
	16,729	16,001		20,639
16.2 Fair Value through OCI				
Treasury bills - Available-for-sale (FVTOCI)	100,596	55,479		39,570
Federal Government bonds - (FVTOCI)	16,259	9,880		23,538
State bonds - (FVTOCI)	6,906	7,060		7,333
FMB Zero Coupon Bonds	0	0		0
Corporate Bonds- FVTOCI	0	0		0
Equity investments - FVTOCI	6,542	6,016		6,770
Impairment on unquoted equity investment at cost	0	0		(396)
	130,304	78,435		76,815

16.3 Amortized Cost			
Treasury Bills- Held-to Maturity	25,732	44,424	32,316
Federal Government bonds - Held-to-maturity (At amortised cost)	66,207	77,945	63,430
State Government bonds - Held-to-maturity (At amortised cost)	2,659	4,953	3,026
Corporate Bonds- Held To Maturity	9,912	18,604	10,012
AMCON - Held-to-maturity (At amortised cost)	0	0	0
	<u>104,510</u>	<u>145,926</u>	<u>108,784</u>
Total investments	251,543.36	240,360.95	206,238.18

	31 March 2018 N'million	31 March 2017 N'million	31 December 2017 N'million
--	--	--	---

Treasury Bills and Bonds are pledged to the Nigerian Inter Bank Settlement

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

Treasury bills	11,288	24,958	13,374
Federal Government bonds	48,124	9,552	22,477
Corporate Bonds- Held to maturity	0	0	10,012
Other assets	<u>59,411</u>	<u>34,510</u>	<u>45,863</u>

	31 March 2018 N'million	31 March 2017 N'million	31 December 2017 N'million
--	--	--	---

17.0 Financial assets

Sundry receivables	34,435	28,487	30,535
Non-Propreitory assets	0	0	0
Others	0	0	3,420
	<u>34,435</u>	<u>28,487</u>	<u>33,955</u>

Less:

Specific allowances for impairment

Non financial assets			
Prepayments	13,248	8,869	10,100
Other non financial assets	(1,344)	2,211	1,008
	<u>11,904</u>	<u>11,080</u>	<u>11,108</u>
Specific allowances for impairment	(1,869)	(2,384)	(1,869)
	<u>10,034</u>	<u>8,696</u>	<u>9,239</u>
Total	<u>44,469</u>	<u>37,183</u>	<u>43,194</u>

	31 March 2018 N'million	31 March 2017 N'million	31 December 2017 N'million
--	--	--	---

18.0 Deposits from customers

Demand	353,526	341,215	322,903
Savings	188,215	163,747	178,570
Term	203,032	165,217	171,744
Domicilliary	98,904	117,476	95,569
Others	15,682	12,593	6,490
	<u>859,358</u>	<u>800,247</u>	<u>775,276</u>

Current	859,358	800,247	775,276
Non-current			
	<u>859,358</u>	<u>800,247</u>	<u>775,276</u>

	31 March 2018 N'million	31 March 2017 N'million	31 December 2017 N'million
--	--	--	---

19.0 Other liabilities

Customer deposits for letters of credit	3,938	2,212	7,768
Accounts payable	21,065	17,216	44,308
Manager's cheque	4,274	2,090	5,516
CBN bailout fund (see note 28.2)	0	0	0
Payable on E-banking transactions	18,823	0	10,749
Payable to staff	0	0	0
Non-Propreitory Liabilities	0	0	0
Provisions	5,776	10,924	2,745
Other liabilities/credit balances	65,608	22,022	2,565
	<u>119,483</u>	<u>54,463</u>	<u>73,651</u>

	31 March 2018	31 March 2017	As at 31 December 2017
20.0 Other Borrowed Funds	N'million	N'million	N'million
Long term loan from SCB London		0	0
Long Term loan from PROPACO	8,475	10,026	8,601
Long term loan from African Development Bank (ADB)	14,983	20,679	18,000
Long term loan from Citibank and HSBC London	0	0	0
European Invest	5,038	5,463	5,088
Renaissance Cap	0	8,028	3,840
	<u>28,496</u>	<u>44,196</u>	<u>35,529</u>

	31 March 2018	31 March 2017	As at 31 December 2017
21.0 On-Lending Facilities	N'million	N'million	N'million
Central Bank of Nigeria - Salary Bailout facilities	97,069	60,338	112,294
Central Bank of Nigeria - Excess Crude Account	0	39,233	0
Central Bank of Nigeria - Real Sector Funds	20,012	1,100	0
	<u>117,081</u>	<u>100,671</u>	<u>112,294</u>

	31 March 2018	31 March 2017	As at 31 December 2017
22.0 Debt Issued Securities	N'million	N'million	N'million
6.875% USD300m EuroBond - (outstanding balance)	14,809	91,616	14,954
10.5% USD400m EuroBond	129,365	0	132,872
16.48% Local Bond	29,899	29,120	29,878
	<u>174,073</u>	<u>120,736</u>	<u>177,704</u>