Access Bank Plc

Unaudited Consolidated and separate financial statements for the period ended 30 September 2016

Directors, officers and professional advisors

This is the list of Directors who served in the entity during the period and up to the date of this report

Directors

Mosun Belo-Olusoga	Chairman/Non-Executive Director
Herbert Onyewumbu Wigwe	GMD/Executive Director
Obinna David Nwosu	DMD/Executive Director
Ernest Chukwuka Ndukwe	Independent Non-Executive Director
Oritsedere Samuel Otubu*	Non-Executive Director
Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Paul Usoro, SAN	Non-Executive Director
Emmanuel Chiejina	Non-Executive Director
Abba Mamman Tor Habib**	Non-Executive Director
Ajoritsedere Josephine Awosika	Independent Non-Executive Director
Victor Okenyenbunor Etuokwu	Executive Director
Roosevelt Michael Ogbonna	Executive Director
Ojinika Nkechinyelu Olaghere	Executive Director
Elias Igbinakenzua	Executive Director
Titi Osuntoki	Executive Director

* Retired effective September 1, 2016
** Appointed effective January 28, 2016

Company Secretary
Mr Sunday Ekwochi

Corporate Head Office
Access Bank Plc
Plot 999c, Danmole Street,
Victoria Island, Lagos.
Telephone: +234 (01) 4619264 - 9
+234 (01) 2773399-99

Email: info@accessbankplc.com
Website: www.accessbankplc.com
Company Registration Number: RC125 384
FRC Number: FRC/2012/0000000000271

Independent Auditors
PricewaterhouseCoopers
Landmark towers, 5b water corporation way, Oniru
Victoria Island, Lagos
Telephone: (01) 271 1700
Website: www.ng.pwc.com

Registrars
United Securities Limited
10 Amodu Ojikutu Street
Victoria Island, Lagos
Telephone: +234 01 730898
+234 01 730891

Statement of Directors' Responsibilities in relation to the Consolidated Financial Statements for the period ended 30 September, 2016

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Company and Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company and Group;

I. Keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and Group and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;

II. Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

III. Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with,

- International Financial Reporting Standards
- Prudential Guidelines for Licensed Banks in Nigeria;
- Relevant circulars issued by the Central Bank of Nigeria;
- The requirements of the Banks and Other Financial Institutions Act and
- The requirements of the Companies and Allied Matters Act; and
- The Financial Reporting Council Act

The directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Company and Group and of the financial performance and cash-flows for the period. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the directors to indicate that the Company and Group will not remain a going concern for at least twelve months from the date of this statement.

Access Bank Plc

Consolidated financial statements
For the period ended 30 September 2016

Statement of comprehensive income

In thousands of Naira	*Notes*	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Continuing operations					
Interest income	8	181,210,761	155,360,879	154,008,558	137,147,514
Interest expense	8	(74,837,032)	(79,464,366)	(63,964,906)	(72,070,335)
Net interest income		106,373,729	75,896,513	90,043,651	65,077,179
Net impairment charge	9	(12,336,132)	(11,551,295)	(10,616,593)	(11,130,085)
Net interest income after impairment charges		94,037,597	64,345,218	79,427,058	53,947,094
Fee and commission income	10	45,605,503	26,728,182	39,021,020	21,202,646
Fee and commission expense		(367,770)	(31,748)	-	-
Net fee and commission income		45,237,734	26,696,434	39,021,020	21,202,646
Net gains on investment securities	11a,b	96,277,263	50,657,803	96,248,358	50,650,201
Net foreign exchange income/(loss)	12	(53,686,566)	18,052,011	(56,101,969)	15,487,601
Other operating income	13	5,061,020	6,791,532	4,696,201	6,406,138
Personnel expenses	14	(35,949,863)	(29,547,312)	(29,383,471)	(24,586,031)
Prepaid rent expenses		(2,046,353)	(1,454,003)	(1,234,161)	(1,123,797)
Depreciation	28	(6,597,445)	(6,301,965)	(5,671,253)	(5,685,877)
Amortization	29	(1,502,334)	(1,042,712)	(1,275,134)	(925,843)
Other operating expenses	15	(68,827,066)	(67,825,151)	(63,024,001)	(62,545,105)
Profit before tax		72,003,989	60,371,855	62,702,647	52,827,028
Income tax	17	(14,908,548)	(12,279,300)	(13,023,336)	(9,214,400)
Profit from continuing operations		57,095,441	48,092,555	49,679,311	43,612,628
Profit for the period		**57,095,441**	**48,092,555**	**49,679,311**	**43,612,628**
Other comprehensive income (OCI) net of income tax :					
Items that may be subsequently reclassified to the income statement:					
Foreign currency translation differences for foreign subsidiaries					
- Unrealised (losses)/gains during the period		23,495,192	(505,852)	-	-
Net changes in fair value of AFS financial instruments					
-Fair value changes during the period		11,129,382	2,841,089	11,501,694	2,875,246
Other comprehensive gain, net of related tax effects:		34,624,574	2,335,237	11,501,694	2,875,246
Total comprehensive income for the period		**91,720,015**	**50,427,792**	**61,181,005**	**46,487,874**
Profit attributable to:					
Owners of the bank		56,559,953	47,549,367	49,679,311	43,612,628
Non-controlling interest		535,488	543,188	-	-
Profit for the period		**57,095,441**	**48,092,555**	**49,679,311**	**43,612,628**
Total comprehensive income attributable to:					
Owners of the bank		89,435,864	50,073,311	61,181,005	46,487,874
Non-controlling interest		2,284,151	354,480	-	-
Total comprehensive income for the period		**91,720,015**	**50,427,792**	**61,181,005**	**46,487,874**
Total comprehensive income for the period attributable to parent:					
Continuing operations		89,435,864	50,427,792	61,181,005	46,487,874
		89,435,864	**50,427,792**	**61,181,005**	**46,487,874**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	18	198	201	172	185
Diluted (kobo)		196	201	172	185
Continuing operations					
Basic (kobo)	18	198	201	172	185
Diluted (kobo)		196	201	172	185

Statement of financial position
As at 30 September 2016

In thousands of Naira	*Notes*	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Assets					
Cash and balances with banks	19a	603,594,853	478,409,336	381,691,333	405,998,636
Investment under management	19b	11,403,713	10,403,608	11,403,713	10,403,608
Non pledged trading assets	20	58,289,834	52,298,422	58,289,834	52,298,422
Derivative financial assets	21	201,250,877	77,905,020	201,222,881	77,852,349
Loans and advances to banks	22	36,200,579	42,733,910	94,333,107	60,414,721
Loans and advances to customers	23	1,800,939,016	1,365,830,831	1,594,147,741	1,243,215,310
Pledged assets	24	328,094,618	203,715,397	328,094,618	200,464,624
Investment securities	25	144,270,825	186,223,126	84,392,716	155,994,798
Other assets	26	115,504,345	83,014,503	100,247,353	78,623,381
Investment in subsidiaries	27b	-	-	57,227,381	45,439,246
Property and equipment	28	83,104,117	73,329,927	70,362,048	65,900,384
Intangible assets	29	6,131,404	6,440,616	4,941,663	4,977,907
Deferred tax assets	30	686,575	10,845,612	79,855	10,180,832
		3,389,470,754	2,591,150,308	2,986,434,244	2,411,764,218
Asset classified as held for sale	31	140,727	179,843	140,727	179,843
Total assets		**3,389,611,481**	**2,591,330,151**	**2,986,574,971**	**2,411,944,061**
Liabilities					
Deposits from financial institutions	32	172,374,426	72,914,421	115,178,077	63,343,785
Deposits from customers	33	2,098,560,795	1,683,244,320	1,803,965,730	1,528,213,883
Derivative financial liabilities	21	30,437,537	3,077,927	28,703,485	2,416,378
Current tax liabilities	17	3,051,971	7,780,824	2,999,752	6,442,311
Other liabilities	34	96,470,235	69,355,947	88,318,439	64,094,358
Deferred tax liabilities	30	530,418	266,644	-	-
Debt securities issued	35	239,702,036	149,853,640	126,077,659	78,516,655
Interest-bearing borrowings	36	299,619,293	231,467,161	408,969,077	302,919,987
Retirement benefit obligations	37	6,029,137	5,567,800	6,003,931	5,567,800
Total liabilities		**2,946,775,849**	**2,223,528,684**	**2,580,216,148**	**2,051,515,157**
Equity					
Share capital and share premium	38	212,438,802	212,438,802	212,438,802	212,438,802
Retained earnings		80,784,033	51,730,369	77,939,669	49,459,102
Other components of equity		143,428,680	99,732,330	115,980,351	98,531,000
Total equity attributable to owners of the Bank		**436,651,515**	**363,901,501**	**406,358,822**	**360,428,904**
Non controlling interest	38	6,184,117	3,899,966	-	-
Total equity		**442,835,632**	**367,801,467**	**406,358,822**	**360,428,904**
Total liabilities and equity		**3,389,611,481**	**2,591,330,151**	**2,986,574,971**	**2,411,944,061**

Signed on behalf of the Board of Directors on 28 October 2016 by:

Chief Financial Officer
Oluseyi Kumapayi
FRC/2013/ICAN/00000000911

Group Managing Director
Herbert Wigwe
FRC/2013/ICAN/00000001998

Consolidated statement of changes in equity

In thousands of Naira
Group

	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share Scheme reserve**	**Treasury Shares**	**Capital Reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2016	**14,463,986**	**197,974,816**	**39,625,042**	**50,097,911**	**554,898**	**(1,732,771)**	**3,489,080**	**13,268,889**	**(5,570,719)**	**51,730,369**	**363,901,501**	**3,899,966**	**367,801,466**
Total comprehensive income for the period:													
Profit for the period										56,559,953	56,559,953	535,488	57,095,441
											-		
Other comprehensive income, net of tax											-		
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	21,772,420	-	21,772,420	1,722,772	23,495,192
Net changes in fair value of AFS financial instruments	-	-	-	-	-		-	11,103,491	-	-	11,103,491	25,891	11,129,382
Total other comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,103,491**	**21,772,420**	**-**	32,875,911	1,748,663	**34,624,574**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,103,491**	**21,772,420**	**56,559,953**	89,435,864	2,284,151	**91,720,015**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	3,104,584	8,491,321	-	-	-	-	-	(11,595,905)	-	-	-
Additonal shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Share scheme expense for the period	-	-	-	-	631,730	-	-	-	-	-	631,730	-	631,730
Vested Shares	-	-	-	-	-	(1,407,196)	-	-	-	-	(1,407,196)	-	(1,407,196)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(15,910,384)	(15,910,384)	-	(15,910,384)
Total contributions by and distributions to equity holders	**-**	**-**	**3,104,584**	**8,491,321**	**631,730**	**(1,407,196)**	**-**	**-**	**-**	**(27,506,289)**	**(16,685,850)**	**-**	**(16,685,850)**
Balance at 30 September 2016	**14,463,986**	**197,974,816**	**42,729,626**	**58,589,232**	**1,186,628**	**(3,139,967)**	**3,489,080**	**24,372,380**	**16,201,701**	**80,784,033**	**436,651,515**	**6,184,117**	**442,835,632**

Consolidated statement of changes in equity

In thousands of Naira
Group

	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share Scheme reserve**	**Treasury Shares**	**Capital Reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2015	**11,441,460**	**161,036,211**	**21,205,031**	**37,078,604**	**295,419**	**(976,127)**	**3,489,080**	**9,881,402**	**(3,710,648)**	**34,139,453**	**273,879,885**	**3,530,843**	**277,410,728**
Total comprehensive income for the period:													
Profit for the period										13,493,381	13,493,381	174,175	13,667,556
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	1,575,709	-	1,575,709	-	1,575,709
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	-	517,150	-	-	517,150	-	517,150
Total other comprehensive (loss)/income	**-**	**-**	**-**	**-**		**-**	**-**	**517,150**	**1,575,709**	**-**	2,092,859	-	**2,092,859**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**517,150**	**1,575,709**	**13,493,381**	15,586,241	174,175	**15,760,416**
Transactions with equity holders, recorded directly in equity:													
Share scheme expense for the period	-	-	-	-	33,389	-	-	-	-	-	33,389	-	33,389
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**-**	**33,389**	**-**	**-**	**-**	**-**	**-**	**33,389**	**-**	**33,389**
Balance at 30 September 2015	**11,441,460**	**161,036,211**	**21,205,031**	**37,078,604**	**328,808**	**(976,127)**	**3,489,080**	**10,398,552**	**(2,134,939)**	**47,632,835**	**289,499,515**	**3,705,018**	**293,204,534**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January 2016	**14,463,986**	**197,974,816**	**37,826,382**	**43,397,152**	**527,331**	**3,489,081**	**13,291,054**	**49,459,102**	**360,428,904**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	49,679,311	**49,679,311**
Other comprehensive income, net of tax									
Actuarial loss on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	11,501,694	-	**11,501,694**
Total other comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**11,501,694**	**-**	**11,501,694**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**11,501,694**	**49,679,311**	**61,181,005**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	-	5,288,360	-	-	-	(5,288,360)	-
Dividend paid to equity holders	-	-			-	-	-	(15,910,384)	**(15,910,384)**
Proceed from right issue	-	-	-	-	-	-	-	-	-
Share scheme expense for the period	-	-	-	-	659,297	-	-	-	**659,297**
Vested Shares	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**5,288,360**	**659,297**	**-**	**-**	**(21,198,744)**	**(15,251,087)**
Balance at 30 September 2016	**14,463,986**	**197,974,816**	**37,826,382**	**48,685,512**	**1,186,628**	**3,489,081**	**24,792,748**	**77,939,669**	**406,358,822**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January 2015	**11,441,460**	**161,036,211**	**17,001,981**	**34,558,437**	**295,419**	**3,489,081**	**9,833,418**	**36,499,779**	**274,155,786**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	12,201,021	**12,201,021**
Other comprehensive income, net of tax									
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	517,150	-	**517,150**
Total other comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**517,150**	**-**	**517,150**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**517,150**	**12,201,021**	**12,718,171**
Transactions with equity holders, recorded directly in equity:									
Share scheme expense for the period	-	-	-	-	33,389	-	-	-	**33,389**
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**-**	**33,389**	**-**	**-**	**-**	**33,389**
Balance at 30 September 2015	**11,441,460**	**161,036,211**	**17,001,981**	**34,558,437**	**328,808**	**3,489,081**	**10,350,568**	**48,700,800**	**286,907,346**

Consolidated statement of cash flows

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Cash flows from operating activities				
Profit before income tax and discontinued operations	72,003,989	60,371,855	62,702,647	52,827,028
Adjustments for:				
Depreciation of property and equipment	6,780,360	6,301,965	5,671,253	5,685,877
Amortization of intangible assets	1,502,334	1,042,712	1,234,161	925,843
Gain on disposal of property and equipment	(112,070)	(127,786)	(102,639)	(122,776)
Gain/ (loss) on disposal of assets held for sale	-	-	-	-
Loss/(Gain) on disposal of investment securities	58,588	(3,506,143)	58,588	(3,498,541)
Unrealised gains on derivative financial instruments	(97,083,424)	(47,151,660)	(97,083,424)	(47,151,660)
Impairment/(writeback) on financial assets	12,124,051	11,551,295	10,625,670	11,130,085
Additional gratuity provision	1,554,752	632,246	884,386	632,246
Equity share-based payment expense	528,896	317,130	528,897	283,105
Property and equipment written off	155,143	51,476	155,143	51,476
Net interest income	(106,655,534)	(75,896,513)	(90,325,457)	(65,077,179)
Unrealised foreign exchange loss on revaluation	60,027,877	9,814,516	60,581,508	9,904,469
Dividend income	(2,368,646)	(3,602,567)	(2,368,646)	(4,058,999)
	(51,483,685)	(40,201,474)	(47,437,914)	(38,469,028)
Changes in operating assets				
Change in non-pledged trading assets	(6,064,162)	7,750,942	(5,991,412)	7,784,093
Change in derivative financial instruments	(123,345,857)	-	(123,370,532)	-
Change in pledged assets	(124,379,221)	(160,335,304)	(127,629,994)	(162,224,098)
Change in restricted deposits	(29,921,782)	41,950,254	(28,910,268)	41,662,743
Change in loans and advances to banks and customers	(428,574,853)	(189,313,310)	(384,850,818)	(142,074,846)
Change in other assets	(32,489,842)	(9,815,002)	(21,623,971)	(48,553,429)
Changes in operating liabilities				
Change in deposits from banks	99,460,005	40,239,431	51,834,292	33,585,974
Change in deposits from customers	415,316,475	103,507,239	275,751,847	67,252,170
Change in other liabilities	27,114,288	11,478,503	24,224,081	11,625,590
Interest paid on deposits and borrowings	(78,303,794)	(68,148,245)	(64,512,312)	(60,960,596)
Interest received on loans and advances	131,143,606	128,736,438	115,627,247	115,239,354
	(201,528,823)	(134,150,528)	(336,889,754)	(175,132,074)
Income tax paid	(5,931,298)	(4,482,674)	4,094,095	(3,038,642)
Net cash used in operating activities	(207,460,121)	(138,633,202)	(332,795,659)	(178,170,716)
Cash flows from investing activities				
Acquisition of investment securities	(355,760,354)	(384,807,357)	(341,688,332)	(369,342,086)
Interest received on investment securities	46,925,972	19,425,666	41,705,972	16,696,029
Dividend received	2,368,646	3,602,567	2,368,646	4,058,999
Acquisition of property and equipment	(10,624,372)	(12,236,698)	(10,624,372)	8,620,826
Proceeds from the sale of property and equipment	112,070	2,076,299	102,639	1,155,963
Acquisition of intangible assets	(1,333,891)	(1,368,759)	(1,185,785)	(1,196,408)
Proceeds from matured investment securities	53,841,709	217,949,632	46,420,238	196,571,241
Proceeds from sale of investment securities	469,599,445	283,533,276	531,518,451	271,954,799
Proceeds from sale of Asset classified as held for sale	-	5,000,000	-	5,000,000
Increase in investment in subsidiaries	-		(11,788,135)	5,400,387
Net cash generated from investing activities	**205,129,224**	**133,174,626**	**256,829,321**	**138,919,750**
Cash flows from financing activities				
Interest paid on borrowings and debt securities issued	(13,308,363)	(11,292,215)	(13,233,221)	(11,109,739)
Proceeds from interest bearing borrowings	63,887,158	70,378,662	62,966,264	70,378,662
Repayment of interest bearing borrowings	(14,777,013)	(14,127,359)	(14,777,013)	(14,127,359)
Proceeds from right issues	-	39,991,238	-	39,991,238
Purchase of own shares	(1,202,471)	(1,007,903)	-	-
Dividends paid to owners	(15,910,384)	(7,231,993)	(15,910,384)	(7,231,993)
Debt securities issued	-	-	-	-
Net cash provided by/(used in) financing activities	**18,688,927**	**76,710,430**	**19,045,646**	**77,900,809**
Net (decrease)/increase in cash and cash equivalents	16,358,030	71,251,855	(56,920,692)	38,649,844
Cash and cash equivalents at end of period	250,395,304	223,440,959	106,478,224	138,699,517
Cash and cash equivalents at beginning of period	234,044,111	152,748,398	163,405,749	100,897,058
Effect of exchange rate fluctuations on cash held	(6,837)	(559,294)	(6,833)	(847,384)
Net (decrease)/increase in cash and cash equivalents	16,358,030	71,251,855	(56,920,692)	38,649,844

1.0 General information

Access Bank Plc ("the Bank") is a company domiciled in Nigeria. The address of the Bank's registered office is Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos (formerly Plot 1665, Oyin Jolayemi, Victoria Island, Lagos). The consolidated financial statements of the Bank for the period ended 30 September 2016 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking and is listed on the Nigerian Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 28 October 2016. The directors have the power to amend and reissue the financial statements.

2.0 Statement of compliance with International Financial Reporting Standards

The consolidated and separate financial statements of the Group and Bank respectively, have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB). Additional information required by national regulations is included where appropriate.

3.0 Summary of significant accounting policies

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

3.1 Basis of preparation

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

(a) Functional and presentation currency

These consolidated financial statements are presented in Naira, which is the Group's presentation currency; except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(b) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value.
- non-derivative financial instruments at fair value through profit or loss are measured at fair value.
- available-for-sale financial assets are measured at fair value.
- investment property is measured at fair value.
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost
- non-current assets held for sale measured at fair value less costs to sell. Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the period in which it arise.
- share based payment at fair value or an approximation of fair value allowed by the relevant standard.

(c) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 4.

3.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the group
Below are the IFRSs and International Financial Reporting Interpretations Commitee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that are relevant to the group.

None of these standards were early adopted in the prior period by the Group as early adoption is not permitted by the Financial Reporting Council of Nigeria (FRC).

(i) Ammendments to IFRS 8, 'Operating segments' effective for annual periods after 01 July 2014

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. Entities would have to disclose the factors they have considered in identifying reportable segments, including the basis of their organization in the financial statement.

(ii)Ammendments to IFRS 13, 'Fair value measurement', effective for annual periods after 01 July 2014

The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. Entities are required to apply this amendment prospectively from the beginning of the first annual period in which IFRS 13 is applied.

This amendment was already a common valuation practice prior to IFRS 13 and is thus not therefore expected to have a significant effect on existing valuation practices.

(iii)Ammendments to IFRS 2, 'Share-based payment'

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. Previously, IFRS did not separately define these concepts. The amendment is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

There is no material impact of these amendments to the group

(b) New and amended standards and interpretations not yet adopted by the Group

As at year end, a number of standards and interpretations, and amendments thereto, had been issued by the IASB which are not yet effective for these consolidated financial statements. Details are set out below.

IFRS 9 Financial Instruments: Classification and Measurement (effective 1 January 2018)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The IFRS 9 (2009) requirements represents a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories of financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables. For an investment in equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividend on such investments are recognized in the income statement, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investments. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in the income statement. The group is making consultations to assess the full impact of the adoption of IFRS 9.

IFRS 16 Leases (effective 1 January 2019)

IFRS 16 Leases ("IFRS 16") eliminates the classification of leases as either operating leases or finance leases for a lessee, and instead introduces a single lessee accounting model. Applying that model, a lessee is required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the statement of comprehensive income. The requirements relating to the definition of a lease have been changed from those included in IAS 17. Guidance is provided on how to determine short term leases as well as leases of low-value assets. The accounting requirements for lessors have largely remained unchanged. New disclosures regarding leases are also introduced. The effective date of IFRS 16 is 1 January 2019, with an allowance for early adoption, provided the entity applies IFRS 15 Revenue from Contracts with Customers at the same time. The group is in the process of assessing the impact.

IFRS 15 – Revenue from contracts with customers. (with effective date of 1 January 2018)

The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. The Standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The group is in the process of assessing the impact.

Other IFRS that are relevant to the group include:

IFRS	Effective Date	Subject of amendment
Ammendments to IFRS 10, and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	Annual periods beginning on or after 1 January 2016	These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
Amendments to IAS 27, 'Equity method in separate financial statements'	Annual periods beginning on or after 1 January 2016	Allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
Amendments IAS 16,'Property, plant and equipment'	Annual periods beginning on or after 1 January 2016	This amendment has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
Amendments IFRS 10, 'Consolidated financial statements	Annual periods beginning on or after 1 January 2016	These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not) A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Management has not assessed the impact of the amendments on the group. Other standards not listed are not cosidered relevant or would have no impact to the group.

3.3 Basis of consolidation

(a) Subsidiaries

The group's interest rate risk arises from risk assets, long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Other financial liabilities issued at fixed rates expose the group to fair value interest rate risk.

[i] power over the investee;
[ii] exposure, or rights, to variable returns from its involvement with the investee; and
[iii] the ability to use its power over the investee to affect the amount of the investor's returns

The investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity.

The group assesses existence of control where it does not have more than 50% of the voting power i.e when it holds less than a majority of the voting rights of an investee. An investor considers all relevant facts and circumstances in assessing whether or not it's voting rights are sufficient to give it power, including:

[i] a contractual arrangement between the investor and other vote holders
[ii] rights arising from other contractual arrangements
[iii] the investor's voting rights (including voting patterns at previous shareholders' meetings)
[iv] potential voting rights

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

(b) Business combinations

The Group applies IFRS 3 *Business Combinations (revised)* in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights.

The Group measures goodwill at the acquisition date as the total of:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a bargain purchase gain is recognised immediately in statement of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.

Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services , then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

(c) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(d) Loss of control

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

(e) Disposal of subsidaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

(f) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(g) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit/loss and other comprehensive income of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.
Investments in associates are measured at cost less impairment in the separate financial statement.

(h) Transactions eliminated on consolidation

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

3.4 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

3.5 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira', which is the group's presentation currency.

The Group in the normal course of business sets up Structured Entiries (SEs) for the sole purpose of raising finance in foreign jurisdictions. The SEs raises finance in the currency of their jurisdictions and passes the proceeds to the group entity that set them up. All costs and interest on the borrowing are borne by the sponsoring group entity. These SEs are deemed to be extensions of the sponsoring entity, and hence, their functional currency is the same as that of the sponsoring entity.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in carrying amount are

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

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

[i] assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

[ii] income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

[iii] all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.6 Operating income

(a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the consolidated income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

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

Interest income and expense presented in the statement of comprehensive income include:
- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis.
- interest on available-for-sale investment securities calculated on an effective interest basis

(b) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

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

(c) Net gains/losses on financial instuments classified held for trading

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

(d) Foreign exchange income

Foreign exchange income includes foreign exchange gains on revaluation and unrealised foreign exchange gains on revaluation.

(e) Dividends

Dividend income is recognised when the right to receive payment is established. Dividends are reflected as a component of other operating income.

3.7 Lease payments

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.8 Income tax

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

(a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the bank and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

3.9 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities (which include derviative financial insturments) have to be reocognised in the consolidated statement of financial position and measured in accordance with their assigned category.

The table below reconciles classification of financial instruments to the respective IAS 34/39 category.

	Category (as defined by IAS 39)		**Class (as determined by the Group)**	**Sub classes**
Financial assets	Financial assets at fair value through profit or loss		Non pledged trading assets	Equity securities
				Debt securities
			Derivative financial assets	
	Loans and receivables		Cash and balances with banks	Cash on hand and balances with banks
				Unrestricted balances with central banks
				Restricted balances with central banks
				Money market placements
			Investment under management	
			Loans and advances to banks	Loans and advances to banks
			Loans and advances to customers	Loans to individuals
				Loans to corporate entities and other organisations
			Other assets	
	Held to maturity		Investment securities - debt securities (pledged and non pledged)	Listed
	Available for sale financial assets		Investment securities - debt securities (pledged and non pledged)	Listed
				Unlisted
			Investment securities - equity securities	Listed
				Unlisted
			Investment under management	
	Category (as defined by IAS 39)		**Class (as determined by the Group)**	**Sub classes**
Financial liabilities	Financial liabilities at fair value through profit or		Derivatives	
	Financial liabilities at amortised cost		Deposits from banks	
			Deposits from customers	Demand deposits
				Term deposits
				Term deposits
			Interest bearing borrowings	
			Debt securities issued	
			Other liabilities	

The purchases and sales of financial assets are accounted for in the Group's books at settlement date.

(a) Financial assets

The Group allocates financial assets to the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

[i] Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, as well as financial assets with embedded derivatives. They are recognised in the consolidated statement of financial position as 'non-pledged trading assets '.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the consolidated income statement. Gains and losses arising from changes in fair value are included directly in the consolidated income statement and are reported as Net gains on financial instruments classified as held for trading. Interest income and expense and dividend income and expenses on financial assets held for trading are included in 'Net interest income' or 'Dividend income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

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

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

[ii] Loans and receivables

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

Finance lease receivables are reported within loans and receivables where the Group is the lessor in a lease agreement. Such lease agreement transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee. The loans and receivables equal to the net investment in the lease is recognised and presented within loans and advances.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (“reverse repo or stock borrowing”), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group’s financial statements.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the consolidated statement of financial position as loans and advances to banks or customers or as investment securities. Interest on loans is included in the consolidated income statement and is reported as ‘Interest income’. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the consolidated income statement under "net impairment loss on financial assets"

[iii] Held-to-maturity

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

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for- sale, and prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

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

Interest on held-to-maturity investments is included in the consolidated income statement and reported as ‘Interest income’. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the consolidated income statement as ‘net impairment loss on financial assets’. Held-to-maturity investments include treasury bills and bonds.

[iv] Available-for-sale

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

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

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

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

Availabe for sale instruments include investment seccurities.

[v] Investments under management

Investement under management are funds entrusted to Asset management firms who acts as agents to the bank for safe keeping and management for investment purpose with returns on the underlying investments accurable to the Bank, who is the principal.

The investment decision made by the Asset management within an agreed portfolio of high quality Nigerian fixed income and money market instruments which are usually short tenured.

The investments are carried as available-for-sale and accounting policy (3.9) (a) [iv] applies.

(b) Financial liabilities

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

[i] Financial liabilities at amortised cost

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

Deposits and debt securities issued are the Group’s sources of debt funding. When the Group sells a financial asset and simultaneously enters into a “repo” or “stock lending” agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group’s financial statements as pledged assets.

The Group classifies debt instruments as financial liabilities or equity in accordance with the contractual terms of the instrument.

Deposits and debt securities issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

On this statement of financial position, other financial liabilities carried at amortised cost include deposit from banks, deposit from customers, interest bearing borrowings, debt securities issued and other liabilities

[ii] Financial liabilities at fair value

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities.
Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

(c) De-recognition

[i] Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement.

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

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

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

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

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again.

[ii] Financial liabilities

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

(d) Offsetting

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

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

(e) Sale and repurchase agreements

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

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

(f) Measurement

[i] Amortised cost measurement

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

[ii] Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

(g) Identification and measurement of impairment

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. 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 on the asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

[i] Loans and receivables

The Group considers evidence of impairment for loans and advances and held-to-maturity investments at both a specific and collective level. All individually significant loans and advances and held-to maturity investment securities are assessed for specific impairment. All individually significant loans and advances and held-to maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities (held at amortised cost) with similar characteristics.

In assessing collective impairment the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

[ii] Available for sale securities

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to the income statement as a reclassification adjustment.

For debt securities, the group uses the criteria referred to in (i) above to assess impairment.If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through the income statement; otherwise, any increase in fair value is recognised through OCI. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is always recognised in OCI.

The Group writes off previously impaired loans and advances (and investment securities) when they are determined not to be recoverable. The Group writes off loans or investment debt securities that are impaired (either partially or in full and any related allowance for impairment losses) when the Group credit team determines that there is no realistic prospect of recovery.

(h) Cash and balances with banks

Cash and balances with banks include notes and coins on hand, balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, unrestricted balances with foreign and central banks, money market placements and other short-term highly liquid investments with original maturities of three months or less.

(i) Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossesed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also seperately disclosed in the financial statement.

(j) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets (for example, for exchange-traded options), including recent market transactions, and valuation techniques (for example for swaps and currency transactions), including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Group mitigates the credit risk of derivatives by holding collateral in the form of cash.

(k) Reclassification of financial assets

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

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

(l) Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets held for trading or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.

Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as held for trading, available for sale or held to maturity. Where the assets pledged as collateral are designated as held for trading, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as available for sale are measured at fair-value through equity. Assets pledged as collateral designated as held to maturity are measured at amortized cost.

3.10 Investment properties

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the Group. An occupation of more than 15% of the property is considered substantial. Investment properties is measured initially at cost including transaction cost and subsequently carried in the statement of financial position at their market value and revalued yearly on a systematic basis. Investment properties are not subject to periodic charge for depreciation. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the period which it arises as: "Fair value gain on investment property"

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement inside operating income.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.11 Property and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in Income statement as incurred.

(c) Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

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

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

Leasehold Land and Building	Over the shorter of the useful life of the item or lease term
Leasehold improvements	Over the shorter of the useful life of the item or lease term
Buildings	50 - 60 years
Computer hardware	3 - 4.5 years
Furniture and fittings	3 - 6 years
Motor vehicles	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets are veviewed for impairment whenever events or changed 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.

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(d) De-recognition

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

3.12 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

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

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of software is between three and five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.13 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance leases and operating leases.

A group company is the lessee
(a) Operating lease
Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to operating expenses in the income statement on a straight-line basis over the period of the lease and used as investment property.

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

A group company is the lessor
When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

3.14 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). Subject to an operating segment ceiling test, for the purposes of goodwil impairment testing, CGUs to which goodwill has been allcated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.15 Discontinued operations

The Group presents discontinued operations in a separate line in the consolidated income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and:
(a) Represents a separate major line of business or geographical area of operations;
(b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) Is a subsidiary acquired exclusively with a view to resale (for example, certain private equity investments).

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group´s operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the consolidated income statement.

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.16 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the period in which it arise.

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expenses.

(a) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

3.18 Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within other liabilities.

3.19 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a seperate entity and will have no legal or constructive obliagtion to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value at the reporting date.

The Bank operates a funded, defined contribution pension scheme for employees. Employees and the Bank contribute 8% and 10% respectively of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Long-term Incentive Plan

The Bank has a non-contributory, un-funded lump sum defined benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions.

Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade. The Bank's net obligation in respect of the long term incentive scheme is calculated by estimating the amount of future benefits that eligible employees have earned in return for service in the current and prior periods. That benefit is discounted to determine its present value. The rate used to discount the post employment benefit obligation is determined by reference to the yield on Nigerian Government Bonds, that have maturity dates approximating the terms of the Bank's obligations.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immidiately recognized in the income statement. The Bank recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur. They are not recycled subsequently in the income statement.

(d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

(e) Share-based payment remuneration scheme

The Group applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares.
Employee incentives include awards in the form of shares The cost of the employee services received in respect of the shares or share granted is recognised in the income statement over the period that employees provide services, generally the period between the date the award is granted or notified and the vesting date of the shares. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.
The number of shares expected to vest takes into account the likelihood that performance and service conditions included in the
terms of the awards will be met. Failure to meet the non-vesting condition is treated as a forfieture, resulting in an acceleration of recognition of the cost of the employee services.
The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability.

3.20 Share capital and reserves

(a) Share issue costs

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

(b) Dividend on the Bank's ordinary shares

Dividends on ordinary shares are recognised in equity in the period when approved by the Bank's shareholders. Dividends for the year that are declared after the end of the reporting period are dealt with in the subsequent events note.

(c) Treasury shares

Where the Bank or any member of the Group purchases the Bank's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled or disposed. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(d) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calcuated by dividing the profit and loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted avergae number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(e) Statutory credit reserve

In compliance with the Prudential Guidelines for Licensed Banks, the Group assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing losses in riks assets. Assets are classified as performing or non- performing. Non performing assets are further clased as substandard, doubtful or lost with attendant provisions per the table below based on objective criteria

Classsificaiton	**Percentage**	**Basis**
Substandard	10%	Interest and/or principal overdue by 90 days but less than 180 days
Doubtful	50%	Interest and/or principal overdue by 180 days but less than 365 days
Lost	100%	Interest and/or principal overdue by more than 365 days

A more accelerated provision may be done using the subjective criteria. A 2% provision is taken on all risk assets that are not specifically provisioned

The results of the application of Prudential Guidelines and the impairment determined for these assets under IAS 39 are compared. The IAS 39 determined impairment charge is alwayss included in the income statement

Where the Prudential Guidelines provision is greater, the difference is appropriated from retained earnings and included in a non - distributable 'Statutory credit reserve'. Where the IAS 39 impairment is greater, no appropriation is made and the amount of IAS 39 impairment is recognised in income statement

Following an examination, the regulator may also require more amounts to be set aside on risk and other assets. Such additional amounts are recognised as an appropriation from retained earnings to statutory risk reserve

4.0 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied judgements are:
(i) Allowances for credit losses
(ii)Valuation of financial instruments
(iii) Determination of fair value of investment property
(iv) Determination of impairment of property and equipment, and intangible assets excluding goodwill
(v) Assessment of impairment of goodwill on acquired subsidiaries
(vi) Defined benefit plan

Key sources of estimation uncertainty

(i) *Allowances for credit losses*

Loans and advances to banks and customers are accounted for at amortised cost and are evaluated for impairment on a basis described in accounting policy 3.9

The Bank reviews its loan portfolios to assess impairment at least on a half yearly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating an impairment trigger followed by measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the Bank.

The Bank makes use of estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

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

A collective component of the total allowance is established for:
- Groups of homogeneous loans that are not considered individually significant and
- Groups of assets that are individually significant but were not found to be individually impaired

Collective allowance for groups of homogeneous loans is established using statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Collective allowance for group of assets that are individually significant but that were not found to be individually impaired cover credit losses inherent in portfolios of loans and advances and held to maturity investment securities with similar credit characteristics when there is objective evidence to suggest that they contain impaired loans and advances and held to maturity investment securities, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are estimated.

4.1 *Valuation of financial instruments*

The table below analyses financial and non-financial instruments measured at fair value at the end of the financial period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

4.1.1 Recurring fair value measurements

In thousands of Naira
Group
September 2016

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management	4,898,122	6,239,068	-	11,137,190
Non pledged trading assets				
Treasury bills	56,839,790	-	-	56,839,790
Bonds	1,386,064	-	-	1,386,064
Equity	63,979	-	-	63,979
Derivative financial instrument	-	201,250,877	-	201,250,877
Pledged assets				
Treasury bills	180,209,539	-	-	180,209,539
Bonds	147,885,079	-	-	147,885,079
Investment securities				
Available for sale				
Treasury bills	35,244,375	-	-	35,244,375
Bonds	17,557,452	2,962,515	-	20,519,967
Equity	-	13,186,480	103,087,868	116,274,348
Assets held for sale	-	140,727	-	140,727
	444,084,400	223,779,667	103,087,868	770,951,935
Liabilities				
Derivative financial instrument	-	30,437,537	-	30,437,537
	-	30,437,537	-	30,437,537

Group
December 2015

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management	3,093,403	7,309,287	-	10,402,690
Non pledged trading assets				
Treasury bills	31,738,748	18,470,695	-	50,209,443
Bonds	2,025,000	-	-	2,025,000
Equity	63,979	-	-	63,979
Derivative financial instrument	-	77,905,020	-	77,905,020
Pledged assets				
Treasury bills	96,614,984	7,069,060	-	103,684,044
Bonds	18,669,957	-	-	18,669,957
Investment securities				
Available for sale	-	-	-	-
Treasury bills	28,996,006	-	-	28,996,006
Bonds	56,842,367	4,361,847	-	61,204,214
Equity	-	9,068,864	35,523,466	44,592,330
Assets held for sale	-	179,843	-	179,843
	238,044,444	124,364,616	35,523,466	397,932,526
Derivative financial instrument		3,077,927	-	3,077,927
	-	3,077,927	-	3,077,927

Bank
September 2016
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management	4,898,122	6,239,068	-	11,137,190
Non pledged trading assets				
Treasury bills	56,839,790	-	-	56,839,790
Bonds	1,386,064	-	-	1,386,064
Equity	63,979	-	-	63,979
Pledged assets				
Treasury bills	180,209,539	-	-	180,209,539
Bonds	147,885,079	-	-	147,885,079
Derivative financial instrument	-	201,222,881	-	201,222,881
Investment securities				
Available for sale				
Treasury bills	957,228	-	-	957,228
Bonds	10,398,178	2,962,515	-	13,360,693
Equity	-	13,186,480	61,451,438	74,637,917
Asset held for sale	-	140,727	-	140,727
	402,637,979	223,751,670	61,451,438	687,841,087
Liabilities				
Derivative financial instrument	-	28,703,485	-	28,703,485
	-	28,703,485	-	28,703,485

Bank
December 2015
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management	3,093,403	7,309,287	-	10,402,690
Non pledged trading assets				
Treasury bills	31,738,748	18,470,695	-	50,209,443
Bonds	2,025,000	-	-	2,025,000
Equity	63,979	-	-	63,979
Pledged assets				
Treasury bills	96,614,984	7,069,060	-	103,684,044
Bonds	18,669,957	-	-	18,669,957
Derivative financial instrument	-	77,852,349	-	77,852,349
Investment securities				
Available for sale				
Treasury bills	10,436,981	-	-	10,436,981
Bonds	56,842,367	3,853,736	-	60,696,103
Equity	-	9,058,784	35,516,671	44,575,455
Asset held for sale	-	179,843	-	179,843
	219,485,419	123,793,754	35,516,671	378,795,844
Liabilities				
Derivative financial instrument	-	2,416,378	-	2,416,378
	-	2,416,378	-	2,416,378

There were no transfers between levels 1 and 2 during the period.

Financial instrument measured at fair value
(a) Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily government bonds, corporate bonds, treasury bills and equity investments classified as trading securities or available for sale investments.

(b) Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:
(i) Quoted market prices or dealer quotes for similar instruments;
(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in level 3
The Group uses widely recognised valuation models for determining the fair value of its financial assets. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain Investment securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate.

For level 2 assets, fair value was obtained using a recent market transaction during the period under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt secuirties with similar maturity profile and characteristics. There were no transfer between levels 1 and 2 during the period.

(ii) Determination of fair value of financial instruments.

Valuation techniques used to derive Level 2 fair values
Level 2 fair values of investments have been generally derived using the Market approach. These securities are not actively traded and the price used in the valuation is are prices as at the last trade date of these securities. Below is a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.

Description	Fair value at 30 September 2016	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in MTN	11,809,616	Fair value through quoted share price as at last trade date.	Share price from last trade date Number of units owned by Access bank	12,400,097	11,219,135	The higher the share price as at the last trade date, the higher the fair value
Investment in Etranzact	1,376,864	Fair value through quoted share price as at last trade date.	Share price from last trade date Number of units owned by Access bank	1,445,707	1,308,021	The higher the share price as at the last trade date, the higher the fair value

Valuation techniques used to derive Level 3 fair values
Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market.

Description	Fair value at 30 September 2016	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in African Finance Corpooration	42,039,466	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	44,141,439	39,937,493	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in Unified Payment System	2,604,324	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	2,734,540	2,474,108	The higher the EV/EBITDA ratio of similar trading companies, the higher the fair value
Investment in CSCS	1,229,560	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	1,291,038	1,168,082	The higher the EV/EBITDA ratio of similar trading companies, the higher the fair value
Investment in Stanbic IBTC Pension managers	957,180	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	1,005,039	909,321	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in NIBSS	1,141,579	Adjusted fair value comparison approach	Weighted Price to earnings (P/E) ratio of similar comparable companies	1,198,658	1,084,500	The higher the P/E ratio of similar trading companies, the higher the fair value
Investment in Afrexim	10,625	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	11,156	10,094	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in FMDQ	111,484	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	117,058	105,910	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in CRC	278,237	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	292,149	264,325	The higher the P/B ratio of similar trading companies, the higher the fair value

(iii) ***Determination of fair value of investment property classified as asset held for sale***
Management employed the services of estate surveyors and valuers expert to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighborhood properties were also considered in deriving the open market values. A variation of -/+5% will result in N37.5Mn fair value loss/gain respectively.

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

(v) ***Assessment of impairment of goodwill on acquired subsidiaries***
Goodwill on acquired subsidiaries was tested for impairment using discounted cash flow valuation method. Projected cash flows were discounted to present value using a discount rate of 19.10% and a cash flow growth rate of 7.96% over a period of four years. The Group determined the appropriate discount rate at the end of the reporting period. See note 29 for further details.

(vi) ***Defined benefit plan***
The present value of the long term incentive plan depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of the reporting period. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions. See note 37 for the sensitivity analysis.

4.3 (b) Fair value of financial assets and liabilities not carried at fair value

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) Cash

The carrying amount of Cash and balances with banks is a reasonable approximation of fair value.

(ii) Loans and advances to banks and customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iii) Investment securities, Pledged and Non-Pledged trading assets

The fair value for investment securities is based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Investment securities (available for sale) disclosed in the table above comprise only those equity securities held at cost less impairment. The fair value for these assets is based on estimations using market prices and earning multiples of quoted securities with similar characteristics. All other available for sale assets are already measured and carried at fair value.

(iv) Other assets

The bulk of these financial assets have short (less than 3months) maturities with their amounts of financial assets in is a reasonable approximation of fair value.

(v) Deposits from banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(vi) Other liabilities

The carrying amount of financial assets in other liabilities is a reasonable approximation of fair value.

(vii) Interest bearing borrowings

The estimated fair value of fixed interest-bearing borrowings not quoted in an active market is based on discounted cash flows using the contractual interest rates for these debts over their remaining maturity.

5.1 Credit risk management

5.1.1 Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to financial assets are as follows:

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Cash and balances with banks				
- Current balances with banks outside Nigeria	50,415,800	49,423,809	31,584,479	27,989,703
- Unrestricted balances with central banks	101,568,969	90,721,388	11,477,461	74,158,434
- Restricted balances with central banks	279,876,599	249,954,817	277,092,745	248,182,477
- Money market placements	124,895,071	52,433,982	33,699,511	26,111,216
Investment under management	11,403,713	10,403,608	11,403,713	10,403,608
Non pledged trading assets				
Treasury bills	56,839,790	50,209,443	56,839,790	50,209,443
Bonds	1,386,064	2,025,000	1,386,064	2,025,000
Derivative financial instruments	201,250,877	77,905,020	201,222,881	77,852,349
Loans and advances to banks	36,200,579	42,733,910	94,333,107	60,414,721
Loans and advances to customers	1,800,939,016	1,365,830,831	1,594,147,741	1,243,215,309
Pledged assets				
Treasury bills	180,209,539	106,934,817	180,209,539	103,684,044
Bonds	147,885,079	96,780,580	147,885,079	96,780,580
Investment securities				
Available for sale				
Treasury bills	35,244,375	28,996,006	957,228	10,436,981
Bonds	20,519,967	61,204,214	13,360,693	60,696,103
Held to Maturity				
Treasury bills	18,091,063	7,687,281	-	-
Bonds	9,905,414	43,743,295	9,754,799	40,286,529
Other assets	89,039,704	72,160,739	78,822,163	69,509,746
Total	**3,165,671,620**	**2,409,148,740**	**2,744,176,993**	**2,201,956,243**
Off balance sheet exposuress				
Transaction related bonds and guarantees	285,563,613	221,127,530	148,313,910	218,067,025
Guaranteed facilities	108,417,200	94,135,927	96,248,893	91,640,933
Clean line facilities for letters of credit and other commitments	976,941,666	657,586,492	892,161,507	600,895,192
Total	**1,370,922,479**	**972,849,949**	**1,136,724,310**	**910,603,150**

Balances included in Other Assets above are those subject to credit risks. The table above shows a worst-case scenario of credit risk exposure to the Group as at 30 September 2016 and 31 December 2015, without taking account of any collateral held or other credit enhancements attached.

For on-balance-sheet assets, the exposures set out above are based on net amounts reported in the statements of financial position.

The Directors are confident in their ability to continue to control exposure to credit risk which can result from both its Loans and Advances portfolio and debt securities.

5.1.5 (a) Credit concentration

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of net credit risk at the reporting date is shown below:

Group
By Sector

September 2016

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	556,756,440	-	-	-	556,756,440
Investment under management	2,385,288	-	5,927,993	-	3,090,432	-	11,403,713
Non pledged trading assets							
Treasury bills	-	-	-	-	56,839,790	-	56,839,790
Bonds	-	-	10,691	-	1,375,374	-	1,386,064
Derivative financial instruments	138,193	962,792	2,655,453	-	197,494,439	-	201,250,877
Loans and advances to banks	-	-	36,200,579	-	-	-	36,200,579
Loans and advances to customers	662,779,454	810,737,446	-	58,544,279	268,877,836	-	1,800,939,016
Pledged assets							
Treasury bills	-	-	-	-	180,209,539	-	180,209,539
Bonds	-	-	-	-	147,885,079	-	147,885,079
Investment securities							
- Available for sale							
Treasury bills	-	-	-	-	35,244,375	-	35,244,375
Bonds	-	-	2,962,515	-	17,557,452	-	20,519,967
- Held to Maturity							
Treasury bills	-	-	-	-	18,091,063	-	18,091,063
Bonds	1,630,936	-	2,605,071	-	5,669,407	-	9,905,414
Other assets	25,133,842	28,056,983	5,808,719	14,573,401	5,794,618	9,672,142	89,039,704
Total	**692,067,713**	**839,757,221**	**612,927,460**	**73,117,680**	**938,129,404**	**9,672,142**	**3,165,671,620**

Group
By Sector

December 2015

In thousands of Naira	**Corporate**	**Commercial**	**Bank**	**Retail**	**Government**	**Others**	**Total**
Cash and balances with banks	-	-	442,533,996	-	-	-	442,533,996
Non pledged trading assets	2,385,288	-	4,927,888	-	3,090,432		10,403,608
Treasury bills	-	-	-	-	50,209,443	-	50,209,443
Bonds	-	-	63,645	-	1,961,355	-	2,025,000
Derivative financial instruments	3,495,428	-	904,524	-	73,505,068	-	77,905,020
Loans and advances to banks			42,733,910			-	42,733,910
Loans and advances to customers	578,301,352	565,841,639	-	52,778,621	168,909,218	-	1,365,830,830
Pledged assets							
Treasury bills	-	-	-	-	106,934,817	-	106,934,817
Bonds	-	-	-	-	96,780,580	-	96,780,580
Investment securities							
- Available for sale							-
Treasury bills	-	-	-	-	28,996,006	-	28,996,006
Bonds	-	-	6,524,859	-	54,679,355	-	61,204,214
- Held to Maturity							
Treasury bills	-	-	-	-	7,687,281	-	7,687,281
Bonds	3,580,595	-	1,649,782	-	38,512,918	-	43,743,295
Other assets	15,529,608	798,290	2,116,791	5,340,515	17,564,186	30,811,349	72,160,739
Total	**603,292,271**	**566,639,929**	**501,455,395**	**58,119,136**	**648,830,659**	**30,811,349**	**2,409,148,739**

5.1.5(a)i **Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.**

By geography

Group **September 2016** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	353,854,196	62,191,853	140,710,392	-	556,756,440
Investment under management	11,403,713	-	-	-	11,403,713
Non pledged trading assets					
Treasury bills	56,839,790	-	-	-	56,839,790
Bonds	1,386,064	-	-	-	1,386,064
Derivative financial instruments	198,598,929	-	93,595	2,558,353	201,250,877
Loans and advances to banks	408,813	-	35,791,766	-	36,200,579
Loans and advances to customers	1,594,147,741	132,844,553	73,946,722	-	1,800,939,016
Pledged assets					
Treasury bills	180,209,539	-	-	-	180,209,539
Bonds	147,885,079	-	-	-	147,885,079
Investment securities					
- Available for sale					
Treasury bills	957,228	15,020,192	19,266,954	-	35,244,375
Bonds	13,360,693	6,366,026	793,249	-	20,519,967
- Held to Maturity					
Treasury bills	-	18,091,063	-	-	18,091,063
Bonds	9,754,799	150,615	-	-	9,905,414
Other assets	75,315,499	12,189,319	1,534,887	-	89,039,704
Total	**2,644,122,083**	**246,853,620**	**272,137,565**	**2,558,353**	**3,165,671,620**
Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	148,313,910	137,249,702	-	-	285,563,613
Guaranteed facilities	96,248,893	10,817,255	1,351,052	-	108,417,200
Clean line facilities for letters of credit and other commitments	892,161,507	13,508,377	71,271,782	-	976,941,666
Total	**1,136,724,310**	**161,575,334**	**72,622,834**	**-**	**1,370,922,479**

By geography

Group **December 2015** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	376,441,830	27,540,483	38,551,683	-	442,533,996
Investment under management	10,403,608	-	-	-	
Non pledged trading assets					-
Treasury bills	50,209,442	-	-	-	50,209,442
Bonds	2,025,000	-	-	-	2,025,000
Derivative financial instruments	77,852,349	-	52,671	-	77,905,020
Loans and advances to banks	634,381	-	42,099,529	-	42,733,910
Loans and advances to customers	1,243,215,308	79,853,948	42,761,574	-	1,365,830,830
Pledged assets					-
Treasury bills	103,684,044	3,250,774	-	-	106,934,818
Bonds	96,780,580	-	-	-	
Investment securities					
- Available for sale					-
Treasury bills	10,436,980	18,559,026	-	-	28,996,006
Bonds	54,679,355	-	6,524,859	-	
- Held to Maturity					-
Treasury bills	-	6,008,800	1,678,481	-	7,687,281
Bonds	39,278,886	1,560,321	2,904,088	-	43,743,295
Other assets	68,256,292	3,600,119	304,328	-	72,160,739
Total	**2,133,898,056**	**140,373,471**	**134,877,213**	**-**	**2,240,760,337**

Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	210,432,185	10,695,345	-	-	221,127,530
Guaranteed facilities	86,113,061	7,132,642	890,224	-	94,135,927
Clean line facilities for letters of credit and other commitments	619,274,612	9,805,121	28,506,759	-	657,586,492
Total	**915,819,858**	**27,633,108**	**29,396,983**	**-**	**972,849,949**

Credit risk management

5.1.5 (b) By Sector

Bank
September 2016

In thousands of Naira	**Corporate**	**Commercial**	**Bank**	**Retail**	**Government**	**Others**	**Total**
Cash and balances with banks	-	-	353,854,196	-	-	-	353,854,196
Investment under management	2,385,288	-	5,927,993	-	3,090,432	-	11,403,713
Non pledged trading assets							
Treasury bills	-	-	-	-	56,839,790	-	56,839,790
Bonds	-	-	10,691	-	1,375,374	-	1,386,064
Derivative financial instruments	138,193	962,792	2,627,457	-	197,494,439	-	201,222,881
Loans and advances to banks			94,333,107				94,333,107
Loans and advances to customers	594,514,400	690,174,835	-	40,659,284	268,799,222	-	1,594,147,741
Pledged assets							
Treasury bills	-	-	-	-	180,209,539	-	180,209,539
Bonds	-	-	-	-	147,885,079	-	147,885,079
Investment securities							
Available for sale							
Treasury bills	-	-	-	-	957,228	-	957,228
Bonds	-	-	2,962,515	-	10,398,178	-	13,360,693
Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	1,630,936	-	2,605,071	-	5,518,793	-	9,754,799
Other assets	25,051,592	27,284,398	5,067,329	13,393,865	5,384,405	2,640,573	78,822,163
Total	**623,720,409**	**718,422,026**	**467,388,359**	**54,053,149**	**877,952,478**	**2,640,573**	**2,744,176,993**

By Sector

Bank
December 2015

In thousands of Naira	**Corporate**	**Commercial**	**Bank**	**Retail**	**Government**	**Others**	**Total**
Cash and balances with banks	-	-	376,441,830	-	-	-	376,441,830
Investment under management	2,385,288	-	4,927,888	-	3,090,432	-	10,403,608
Non pledged trading assets							-
Treasury bills	-	-	-	-	50,209,443	-	50,209,443
Bonds	4,568	-	59,077	-	1,961,355	-	2,025,000
Derivative financial instruments	3,485,545	-	861,736	-	73,505,068	-	77,852,349
Loans and advances to banks	-	-	60,414,721	-	-	-	60,414,721
Loans and advances to customers	505,067,009	532,312,379	-	37,373,412	168,462,509	-	1,243,215,309
Pledged assets							
Treasury bills	-	-	-	-	103,684,044	-	103,684,044
Bonds	-	-	-	-	96,780,580	-	96,780,580
Investment securities							-
Available for sale							-
Treasury bills	-	-	-	-	10,436,981	-	10,436,981
Bonds	-	-	6,016,748	-	54,679,355	-	60,696,103
Held to Maturity							-
Treasury bills	-	-	-	-	-	-	-
Bonds	1,684,150	-	1,007,643	-	37,594,736	-	40,286,529
Other assets	22,790,400	6,047,003	2,116,917	11,235,870	27,278,697	40,859	69,509,746
Total	**535,416,961**	**538,359,382**	**451,846,559**	**48,609,282**	**627,683,202**	**40,859**	**2,201,956,245**

5.1.5 (b)i By geography

Bank **September 2016** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	353,854,196	-	-	-	353,854,196
Investment under management	11,403,713	-	-	-	11,403,713
Non pledged trading assets					
Treasury bills	56,839,790	-	-	-	56,839,790
Bonds	1,386,064	-	-	-	1,386,064
Derivative financial instruments	198,598,929	-	65,599	2,558,353	201,222,881
Loans and advances to banks	408,813	-	93,924,294	-	94,333,107
Loans and advances to customers	1,594,147,741	-	-	-	1,594,147,741
Pledged assets					
Treasury bills	180,209,539	-	-	-	180,209,539
Bonds	147,885,079	-	-	-	147,885,079
Investment securities					
Available for sale					
Treasury bills	957,228	-	-	-	957,228
Bonds	13,360,693	-	-	-	13,360,693
Held to Maturity					
Treasury bills	-	-	-	-	-
Bonds	9,754,799	-	-	-	9,754,799
Other assets	77,879,774	916,721	25,669	-	78,822,163
Total	**2,646,686,358**	**916,721**	**94,015,562**	**2,558,353**	**2,744,176,993**

Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	148,313,910	-	-	-	148,313,910
Guaranteed facilities	96,248,893	-	-	-	96,248,893
Clean line facilities for letters of credit and other commitments	892,161,507	-	-	-	892,161,507
Total	**1,136,724,310**	**-**	**-**	**-**	**1,136,724,310**

By geography

Bank **December 2015** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	376,441,830	-	-	-	376,441,830
Investment under management	10,403,608	-	-	-	10,403,608
Non pledged trading assets					
Treasury bills	50,209,443	-	-	-	50,209,443
Bonds	1,961,355	-	63,645	-	2,025,000
Derivative financial instruments	76,970,769	-	867,235	14,345	77,852,349
Loans and advances to banks	634,098	-	59,780,624	-	60,414,722
Loans and advances to customers	1,243,215,308	-	-	-	1,243,215,308
Pledged assets					
Treasury bills	103,684,044	-	-	-	103,684,044
Bonds	96,780,580	-	-	-	96,780,580
Investment securities					
Available for sale					
Treasury bills	10,436,981	-	-	-	10,436,981
Bonds	54,679,356	-	5,857,725	159,022	60,696,103
Held to Maturity					-
Treasury bills					-
Bonds	39,278,886	-	1,007,643	-	40,286,529
Other assets	68,076,063	1,409,196	24,487	-	69,509,746
Total	**2,132,772,323**	**1,409,196**	**67,601,359**	**173,367**	**2,201,956,245**

Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	218,067,025	-	-	-	218,067,025
Guaranteed facilities	91,640,933	-	-	-	91,640,933
Clean line facilities for letters of credit and other commitments	600,895,192	-	-	-	600,895,192
Total	**910,603,150**	**-**	**-**	**-**	**910,603,150**

Market risk management

The Group trades on bonds, treasury bills and foreign currency. Market risk in trading portfolios is monitored and controlled using tools such as position limits, value at risk and present value of an assumed basis points change in yields or exchange rates coupled with concentration limits. The major measurement technique used to measure and control market risk is outlined below.

5.2.2 Value at risk (VAR)

The Group applies a 'value at risk' (VaR) methodology to its trading portfolios at a group level to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Board sets limits on the value of risk that may be accepted for the Group, which are monitored on a daily basis by Market Risk Unit. Interest rate risk in the non-trading book is measured through the use of interest rate repricing gap analysis.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Group might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VaR estimate. Value-at-risk estimates the potential maximum decline in the value of a position or portfolio, under normal market conditions, over a one-day holding period. It also assumes that market moves occurring over this holding period will follow a similar pattern. The Group applies these historical changes in rates, prices, etc. directly to its current positions - a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/ factors used in the VaR calculation.
The Access Bank value-at-risk method incorporates the factor sensitivities of the trading portfolio, the volatilities and correlations of the market risk factors. The group uses the variance covariance method which derives likely future changes in market value from historical market volatility. Value at risks is estimated on the basis of exposures outstanding at the close of business and therefore might not factor in the intra-day exposures. However, the bank does not only base its risk estimates on Value at Risk, it uses Stress tests to provide an indication of the potential size of losses that could arise in extreme conditions by applying a what-if analysis to further complement it. The results of the stress tests are reviewed by senior management in each business unit and by the Board of Directors.

The table below sets out information on the exposure to fixed and variable interest instruments.

Exposure to fixed and variable interest rate risk
Group
In thousands of Naira

30 September 2016	Fixed	Floating	Non-interest bearing	Total
ASSETS	N'000	N'000	N'000	N'000
Cash and balances with banks	124,895,071	-	478,699,781	603,594,853
Non pledged trading assets	58,225,855	-	63,979	58,289,834
Derivative financial instruments	-	-	201,250,877	201,250,877
Loans and advances to banks	36,200,579	-	-	36,200,579
Loans and advances to customers	7,018,505	1,793,920,511	-	1,800,939,016
Pledged assets	328,094,618	-	-	328,094,618
Investment securities:				
– Available-for-sale	55,764,342	-	60,510,006	116,274,348
– Held-to-maturity	27,996,477	-	-	27,996,477
TOTAL	**638,195,446**	**1,793,920,511**	**740,524,643**	**3,172,640,600**
LIABILITIES				
Deposits from financial institutions	172,374,426	-	-	172,374,426
Deposits from customers	898,881,429	1,199,679,366	-	2,098,560,795
Derivative financial instruments	-	-	30,437,537	30,437,537
Debt securities issued	-	239,702,036	-	239,702,036
Interest-bearing borrowings	216,601,701	83,017,592	-	299,619,293
TOTAL	**1,287,857,556**	**1,522,398,994**	**30,437,537**	**2,840,694,087**

31 December 2015	Fixed	Floating	Non-interest bearing	Total
ASSETS	N'000	N'000	N'000	N'000
Cash and balances with banks	52,433,982	-	425,975,354	478,409,336
Non pledged trading assets	52,234,443	-	63,979	52,298,422
Derivative financial instruments	-	-	77,905,020	77,905,020
Loans and advances to banks	42,733,910	-	-	42,733,910
Loans and advances to customers	4,556,129	1,361,274,702	-	1,365,830,831
Pledged assets	203,715,397	-	-	203,715,397
Investment securities:				
– Available-for-sale	90,200,220	-	44,592,330	134,792,550
– Held-to-maturity	51,463,692	-	-	51,463,692
TOTAL	**497,337,773**	**1,361,274,702**	**548,536,683**	**2,407,149,158**
LIABILITIES				
Deposits from financial institutions	72,914,421	-	-	72,914,421
Deposits from customers	706,327,211	976,917,109	-	1,683,244,320
Derivative financial instruments	-	-	3,077,927	3,077,927
Debt securities issued	-	149,853,640	-	149,853,640
Interest-bearing borrowings	181,214,364	50,252,797	-	231,467,161
TOTAL	**960,455,996**	**1,177,023,546**	**3,077,927**	**2,140,557,469**

Bank

30 September 2016	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	33,699,511	-	347,991,822	381,691,333
Non pledged trading assets	58,225,855	-	63,979	58,289,834
Derivative financial instruments	-	-	201,222,881	201,222,881
Loans and advances to banks	-	94,333,107	-	94,333,107
Loans and advances to customers	6,439,584	1,587,708,157	-	1,594,147,741
Pledged assets	328,094,618	-	-	328,094,618
Investment securities:				
– Available-for-sale	14,317,921	-	60,319,996	74,637,917
– Held-to-maturity	9,754,799	-	81,187,955	90,942,755
TOTAL	**450,532,288**	**1,682,041,264**	**690,786,633**	**2,823,360,186**
LIABILITIES				
Deposits from financial institutions	115,178,077	-	-	115,178,077
Deposits from customers	750,856,787	1,053,108,942	-	1,803,965,730
Derivative financial instruments	-	-	28,703,485	28,703,485
Debt securities issued	-	126,077,659	-	126,077,659
Interest-bearing borrowings	216,601,701	192,367,376	-	408,969,077
TOTAL	1,082,636,565	1,371,553,977	28,703,485	2,482,894,028

31 December 2015	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	26,111,216	-	379,887,420	405,998,636
Non pledged trading assets	52,234,443	-	63,979	52,298,422
Derivative financial instruments	-	-	77,852,349	77,852,349
Loans and advances to banks	-	60,414,721	-	60,414,721
Loans and advances to customers	4,231,571	1,238,983,738	-	1,243,215,309
Pledged assets	200,464,624	-	-	200,464,624
Investment securities:	-	-	-	-
– Available-for-sale	71,133,084	-	44,575,185	115,708,269
– Held-to-maturity	40,286,529	-	-	40,286,529
TOTAL	**394,461,467**	**1,299,398,459**	**502,378,933**	**2,196,238,859**
LIABILITIES				
Deposits from financial institutions	63,343,785	-	-	63,343,785
Deposits from customers	632,818,563	895,395,320	-	1,528,213,883
Derivative financial instruments	-	-	2,416,378	2,416,378
Debt securities issued	-	78,516,655	-	78,516,655
Interest-bearing borrowings	181,214,364	121,705,623	-	302,919,987
TOTAL	877,376,712	1,095,617,598	2,416,378	1,975,410,688

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by Group Treasury.

Cash flow and fair value interest rate risk

The group's interest rate risk arises from risk assets, long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Other financial liabilities issued at fixed rates expose the group to fair value interest rate risk.

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

(i) Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.

(ii) Fair value reserves arising from increases or decreases in fair value of available-for-sale financial instruments reported directly in other comprehensive income.

5.3.2 Financial instruments below and above 1 year's maturity

	September 2016			December 2015		
Group	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
In thousands of Naira						
Cash and balances with banks	323,718,253	279,876,599	603,594,853	228,454,519	249,954,817	478,409,336
Investments under management	11,403,713	-	11,403,713	10,403,608	-	10,403,608
Non pledged trading assets						
Treasury bills	56,839,790	-	56,839,790	50,209,443	-	50,209,443
Bonds	19,658	1,366,406	1,386,064	-	2,025,000	2,025,000
Derivative financial instruments	89,708,231	111,542,646	201,250,877	11,131,452	66,773,568	77,905,020
Loans and advances to banks	36,200,579	-	36,200,579	42,733,910	-	42,733,910
Loans and advances to customers	691,547,849	1,109,391,167	1,800,939,016	630,731,454	735,099,377	1,365,830,831
Pledged assets						
Treasury bills	180,209,539	-	180,209,539	106,934,817	-	106,934,817
Bonds	7,703,245	140,181,833	147,885,079	-	96,780,580	96,780,580
Investment securities						
Available for sale						
Treasury bills	35,244,375	-	35,244,375	28,996,006	-	28,996,006
Bonds		20,519,967	20,519,967	2,013,715	59,190,499	61,204,214
Held to Maturity						
Treasury bills	18,091,063	-	18,091,063	7,687,281	-	7,687,281
Bonds	8,625,769	1,279,645	9,905,414	9,735,814	34,007,481	43,743,295
Other assets	89,039,704	-	89,039,704	72,160,739	-	72,160,739
	1,548,351,768	**1,664,158,264**	**3,212,510,032**	**1,201,192,757**	**1,243,831,323**	**2,445,024,081**
Deposits from financial institutions	172,374,426	-	172,374,426	72,914,421	-	72,914,421
Deposits from customers	2,098,560,795	-	2,098,560,795	1,683,216,179	28,141	1,683,244,320
Derivative financial instruments	30,437,537	-	30,437,537	3,077,927	-	3,077,927
Debt securities issued	-	239,702,036	239,702,036	-	149,853,640	149,853,640
Other liabilities	92,571,285	-	92,571,285	65,277,321	-	65,277,321
Interest-bearing borrowings	273,784,870	25,834,423	299,619,293	18,238,703	213,228,458	231,467,161
	2,667,728,914	**265,536,459**	**2,933,265,373**	**1,842,724,551**	**363,110,239**	**2,205,834,790**

	September 2016			December 2015		
Bank	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
In thousands of Naira						
Cash and balances with banks	85,076,870	296,614,463	381,691,333	157,816,159	248,182,477	405,998,636
Investment under management	11,403,713	-	11,403,713	10,403,608	-	10,403,608
Non pledged trading assets						
Treasury bills	56,839,790	-	56,839,790	50,209,443	-	50,209,443
Bonds	1,386,064	-	1,386,064	42,554	1,982,446	2,025,000
Derivative financial instruments	89,680,234	111,542,646	201,222,881	11,078,781	66,773,568	77,852,349
Loans and advances to banks	94,333,107	-	94,333,107	60,414,721	-	60,414,721
Loans and advances to customers	576,289,874	1,017,857,867	1,594,147,741	562,509,594	680,705,715	1,243,215,308
Pledged assets						
Treasury bills	180,209,539	-	180,209,539	103,684,044	-	103,684,044
Bonds	15,737,894	132,147,184	147,885,079	11,303,268	85,477,313	96,780,580
Investment securities						
Available for sale						
Treasury bills	957,228	-	957,228	10,436,981	-	10,436,981
Bonds	7,703,245	5,657,447	13,360,693	1,505,605	59,190,499	60,696,103
Held to Maturity						
Treasury bills	-	-	-	-	-	-
Bonds	1,061,564	8,693,235	9,754,799	9,126,791	31,159,738	40,286,529
Other assets	78,822,163	-	78,822,163	49,574,480	19,935,266	69,509,746
	1,199,501,287	**1,572,512,844**	**2,772,014,131**	**1,038,106,030**	**1,193,407,022**	**2,231,513,049**
Deposits from financial institutions	115,178,077	-	115,178,077	63,343,785	-	63,343,785
Deposits from customers	1,803,965,730	-	1,803,965,730	1,528,213,883	-	1,528,213,883
Derivative financial instruments	28,703,485	-	28,703,485	2,416,378	-	2,416,378
Debt securities issued	3,106,678	122,970,980	126,077,659	7,375,210	71,141,445	78,516,655
Other liabilities	84,568,378	-	84,568,378	62,871,485	-	62,871,485
Interest-bearing borrowings	273,784,870	135,184,207	408,969,077	1,008,489	301,911,498	302,919,987
	2,309,307,218	**258,155,187**	**2,567,462,406**	**1,665,229,230**	**373,052,943**	**2,038,282,173**

6 Capital management

The Bank’s objectives when managing capital, which is a broader concept than the ‘equity’ on the face of the statement of financial position, are:
i) To comply with the capital requirements set by the Central Bank;
ii) To safeguard the Bank’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
iii) To maintain a strong capital base to support the development of its business.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 16% (15% + additional 1%) is to be maintained for deposit money banks designated as significant financial institutions. Following the CBN guideline on regulatory capital computation, the Regulatory Risk Reserve has been excluded from the capital computation. Standardised approach has been adopted in computing the risk weighted assets for Credit, Operetional, and Market Risk. The following table provides an overview of the development of the capital ratios and risk-weighted assets (RWA):

The regulatory capital requirements are strictly observed when managing capital. The Bank’s regulatory capital is managed by its Bank Treasury and comprises two tiers:
- Tier 1 capital: share capital, share premium, retained earnings and other reserves, and
- Tier 2 capital: unrealised gains arising on the fair valuation of equity instruments held as available-for-sale and foreign currency translation reserves with adjustments for deferred tax assets, intangibles and investments in subsidiaries.

7 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis. The Group presents segment information to its Executive Committee, which is the Group's Chief Operating Decision Maker, based on International Financial Reporting Standards.

Basing on the market segment and extent of customer turnover, the group reformed the arrangement of segments from previous years into four operational segments as described below;

- **Corporate and Investment Banking -** The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank's clients as well as relationship banking services to the Bank's financial institutions customers.

- **Commercial banking** - The commercial banking division has presence in all major cities in the country. It provides commercial banking products and services to the non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.

- **Personal banking** – The personal banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment. The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad. The division provides financial solutions across various channels (ATM, Mobile banking, etc) and platforms.

- **Business Banking** - The Business banking division is a hybrid of Commercial and Personal Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

All of the Segments reported at the end of the year had its,

- Reported revenue, from both external customers and intersegment sales or transfers, 10 per cent or more of the combined revenue, internal and external, of all operating segments, or

-the absolute measure of its reported profit or loss 10 per cent or more of the greater, in absolute amount, of
(i) the combined reported profit of all operating segments that did not report a loss and
(ii) the combined reported loss of all operating segments that reported a loss, or

-its assets are 10% or more of the combined assets of all operating segments.

Unallocated Segments represents all other transactions than are outside the normal course of business and can not be directly related to a specific segment financial information.

Thus, in essence, unallocated segments reconcile segment balances to group balances. Material items comprising total assets and total liabilities of the unallocated segments have been outlined below;

Material total assets and liabilities	**Group**	**Group**
	September	**December**
In thousands of Naira	**2016**	**2015**
Other Assets	115,504,345	82,527,825
Defferred tax (net)	686,575	10,845,612
Assets Held for Sale	140,727	179,843
Goodwill	681,007	681,007
	117,012,654	**94,234,287**
Derivative financial instruments	-	-
Other liabilities	96,470,235	69,355,950
Debt Securties issued	239,702,036	149,853,640
Interest-bearing loans and borrowings	299,619,293	231,467,161
Deffered tax	530,418	266,644
Retirement Benefit Obligation	6,029,137	5,567,800
Total liabilities	**642,351,120**	**456,511,195**

Material revenue and expenses	**Group**	**Group**
	September	**September**
	2016	**2015**
Interest expense		
Interest expense on Eurobond	(11,308,905)	(9,299,303)

7a Operating segments (Continued)

30 September 2016

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total
Revenue:						
Derived from external customers	98,188,896	104,666,122	22,776,664	48,836,299	-	274,467,982
Derived from other business segments	(28,645)	14,802	6,254	7,589	-	-
Total Revenue	98,160,251	104,680,924	22,782,918	48,843,888	-	274,467,982
Interest Income	56,290,655	85,395,725	16,297,691	23,226,689	-	181,210,761
Interest expenses	(26,229,150)	(31,679,214)	(5,580,234)	(7,905,805)	(3,160,824)	(74,555,226)
Impairment Losses	(5,865,412)	(4,963,464)	-	(1,295,175)	-	(12,124,051)
						-
Profit/(Loss) on ordinary activities before taxation	28,984,274	38,912,579	(478,136)	7,746,095	(3,160,824)	72,003,989
Income tax expense						(14,908,548)
Profit after tax						57,095,442
Other segment information:						
Depreciation and amortisation	(435,384)	(1,634,742)	(2,916,249)	(3,113,404)	-	(8,099,779)
Assets and liabilities:						
Loans and Advances to customers	602,800,350	1,069,811,989	68,681,168	59,645,508	-	1,800,939,016
Goodwill	-	-	-	-	681,007	681,007
Tangible segment assets	1,095,386,185	1,944,022,219	124,804,843	108,385,580	-	3,272,598,827
Unallocated segment assets	-	-	-	-	116,331,647	116,331,647
Total assets	1,095,386,185	1,944,022,219	124,804,843	108,385,580	117,012,654	3,389,611,481
Deposits from customers	594,997,742	873,080,898	223,378,437	407,103,718	-	2,098,560,795
Segment liabilities	653,365,637	958,728,103	245,291,342	447,039,646	-	2,304,424,729
Unallocated segment liabilities	-	-	-	-	642,351,120	642,351,120
Total liabilities	653,365,637	958,728,103	245,291,342	447,039,646	642,351,120	2,946,775,849
Net assets	442,020,548	985,294,116	(120,486,499)	(338,654,066)	(525,338,466)	442,835,633

31 December 2015
Operating segments (Continued)

In thousands of Naira	**Corporate & Investment Banking**	**Commercial Banking**	**Business Banking**	**Personal Banking**	**Unallocated Segments**	**Total**
Revenue:						
Derived from external customers	142,760,590	119,234,984	28,183,640	47,225,016	-	337,404,230
Derived from other business segments	(32,954)	18,809	5,723	8,422	-	-
Total Revenue	142,727,636	119,253,793	28,189,363	47,233,438	-	337,404,230
Interest Income	72,223,695	86,725,818	19,618,182	29,235,074	-	207,802,768
Interest expenses	(34,401,407)	(36,412,832)	(7,314,258)	(11,821,664)	(12,470,957)	(102,421,118)
Impairment Losses	(9,218,707)	(2,558,182)	(442,433)	(2,005,393)	-	(14,224,715)
Profit/(Loss) on ordinary activities before taxation	60,008,361	31,758,802	(5,097,804)	839,717	(12,470,957)	75,021,420
Income tax expense						(9,169,344)
Profit after tax						65,868,775
Other segment information:						
Depreciation and amortisation	(549,825)	(2,036,605)	(3,633,139)	(3,878,760)	-	(10,098,330)
Assets and liabilities:						
Loans and Advances to customers	552,849,791	716,514,393	47,951,257	48,515,390	-	1,365,830,831
Goodwill					681,007	
Tangible segment assets	1,010,348,609	1,310,332,904	87,691,344	88,723,007	-	2,497,095,864
Unallocated segment assets	-	-	-	-	94,234,287	94,234,287
Total assets	1,010,348,609	1,310,332,904	87,691,344	88,723,007	94,234,287	2,591,330,151
Deposits from customers	457,760,677	678,870,157	202,449,439	344,164,047	-	1,683,244,320
Segment liabilities	480,542,909	712,656,760	212,525,120	361,292,703	-	1,767,017,492
Unallocated segment liabilities	-	-	-	-	456,511,195	456,511,195
Total liabilities	480,542,909	712,656,760	212,525,120	361,292,703	456,511,195	2,223,528,687
Net assets	529,805,700	597,676,144	(124,833,776)	(272,569,696)	(362,276,908)	367,801,464

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

30 September 2016 *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Total**
Derived from external customers	237,872,167	30,297,846	6,297,969	274,467,982
Derived from other segments	-	-	-	-
Total Revenue	237,872,167	30,297,846	6,297,969	274,467,982
Interest Income	154,008,558	23,432,182	3,770,021	181,210,761
Impairment Losses	(10,616,593)	(1,719,539)	-	(12,336,132)
Interest expense	(63,964,906)	(9,307,384)	(1,564,742)	(74,837,032)
Fee and commission expenses	-	(194,493)	(173,276)	(367,770)
Operating Income	163,290,667	19,076,429	4,559,951	186,927,048
Profit/(loss) before income tax	62,702,647	6,407,822	2,893,520	72,003,989
Assets and liabilities:				
Loans and Advances to customers	1,594,147,741	133,240,860	73,550,415	1,800,939,016
Non current assets				
Goodwill	-	681,007	-	681,007
Total assets	2,986,574,971	226,939,027	176,097,484	3,389,611,481
Deposit from customers	1,803,965,730	203,400,949	91,194,117	2,098,560,795
Total liabilities	2,580,216,148	201,791,074	164,768,627	2,946,775,849
Net assets	406,358,822	25,147,953	11,328,857	442,835,632

31 December 2015	Nigeria	Rest of Africa	Europe	Total
Derived from external customers	302,061,975	28,852,495	6,489,760	337,404,230
Derived from other segments	-	-	-	-
Total Revenue	302,061,975	28,852,495	6,489,760	337,404,230
Interest Income	184,047,834	21,084,615	2,670,320	207,802,769
Impairment Losses	(13,287,613)	(937,101)	-	(14,224,714)
Interest expense	(94,001,878)	(5,626,676)	(2,792,564)	(102,421,118)
Fee and commission expenses	-	-	(151,118)	(151,118)
Operating Income	208,060,097	23,225,819	3,697,196	234,983,112
Profit/(loss) before income tax	65,169,612	7,279,608	2,588,897	75,038,117
Assets and liabilities as at 31st December 2015:				
Loans and Advances to customers	1,243,215,309	79,853,950	42,761,572	1,365,830,831
Non current assets				
Goodwill	-	681,007	-	681,007
Total assets	2,408,096,499	110,273,966	72,959,686	2,591,330,151
Deposit from customers	1,528,213,883	129,457,229	25,573,208	1,683,244,320
Total liabilities	2,047,932,763	104,726,423	70,869,501	2,223,528,687
Net assets	360,163,736	5,547,543	2,090,185	367,801,464

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the group's total revenue in period ended 30 September 2016 and for the year ended 31 December 2015. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.

8 Interest income

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Interest income				
Cash and balances with banks	2,688,137	3,698,380	932,320	2,622,125
Loans and advances to banks and customers	145,430,690	120,377,644	125,921,163	106,880,560
Investment securities				
-Available for sale	13,047,736	10,555,520	12,095,578	9,706,901
-Held for trading	5,426,936	8,358,795	5,426,890	8,358,795
-Held to maturity	14,617,261	12,370,540	9,632,606	9,579,135
	181,210,761	**155,360,879**	**154,008,558**	**137,147,514**
Interest expense				
Deposit from financial institutions	9,169,550	7,149,538	7,832,339	5,834,342
Deposits from customers	50,384,802	60,998,707	39,466,756	55,126,254
Securities dealing	-	23,906	-	-
Interest bearing borrowings and other borrowed funds	15,282,680	11,292,215	16,665,812	11,109,739
	74,837,032	**79,464,366**	**63,964,906**	**72,070,335**
Net interest income	**106,373,729**	**75,896,513**	**90,043,651**	**65,077,179**

Interest income for the period ended 30 September 2016 includes interest accrued on impaired financial assets of Group: N4.08Bn (30 September 2015: N2.98Bn) and Bank: N3.09Mn (30 September 2015: N2.57Bn).

9 Net impairment on financial assets

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Additional collective impairment charges on loans and advances to banks(note 22)	(4,357)	(52,855)	(4,357)	(2,745)
Additional collective impairment charges on loans and advances to customers (note 23)	(4,625,129)	(5,579,669)	(4,444,488)	(5,514,391)
Additional specific impairment charges on loans and advances to customers (see note 23)	(6,764,460)	(3,611,838)	(5,236,004)	(3,310,125)
Additional impairment allowance on financial assets in other assets (see note 26)	(942,186)	(2,306,934)	(931,743)	(2,302,824)
	(12,336,132)	**(11,551,295)**	**(10,616,593)**	**(11,130,085)**

10 Fee and commission income

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Credit related fees and commissions	12,771,354	13,939,738	9,008,071	10,655,371
Account maintenance charge and handling commission	1,794,594	2,507,169	1,505,159	2,222,359
Commission on bills and letters of credit	1,886,011	1,180,027	1,679,993	1,045,170
Commissions on collections	75,826	94,191	49,460	75,931
Commission on other financial services	4,117,289	1,384,261	2,929,891	313,382
Commission on virtual products	2,760,518	1,778,167	2,016,157	1,333,286
Commission on foreign currency denominated transactions	2,880,163	1,480,862	2,697,115	1,299,138
Channels and other E-business income	19,073,026	4,101,114	18,937,977	4,029,980
Retail account charges	246,722	262,653	197,198	228,029
	45,605,503	**26,728,182**	**39,021,020**	**21,202,646**

Credit related fees and commissions are fees charged to corporate customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost.

Account maintenance charges was introduced by the CBN effective January 1, 2016 while comparative relates to commissions on turnover which was phased out.

Channels and other E-business income include income from electronic channels, card products and related services.
The increase in channels and other E-business income is a result of rise in volume of card transactions.

11 Net gains on investment securities

a Net gains on financial instruments classified as held for trading

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Fixed income securities	(747,573)	1,390,265	(776,479)	1,382,663
Derivative instruments	97,083,424	47,151,660	97,083,424	47,151,660
	96,335,851	**48,541,925**	**96,306,946**	**48,534,323**

Net gains on financial instruments classified as held for trading includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

Gain on financial instrument relates to fair value increase arising from derivative instruments to which the bank is a party in the normal course of businessand are held at fair value. Derivative financial instruments consist of forward and swap contracts.

b Net gains on financial instruments held as available for sale

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Fixed income securities	(58,588)	2,115,879	(58,588)	2,115,879
	(58,588)	**2,115,879**	**(58,588)**	**2,115,879**
Total	**96,277,263**	**50,657,803**	**96,248,358**	**50,650,201**

12 Net foreign exchange income

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Foreign exchange trading income (net)	6,341,311	27,866,527	4,479,539	25,392,070
Unrealised foreign exchange loss on revaluation	(60,027,877)	(9,814,516)	(60,581,508)	(9,904,469)
	(53,686,566)	**18,052,011**	**(56,101,969)**	**15,487,601**

13 Other operating income

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Dividends on available for sale equity securities	2,368,646	3,602,567	2,368,646	4,058,999
Gain on disposal of property and equipment	112,070	127,786	102,639	122,776
Rental income	36,536	107,860	31,848	77,760
Bad debt recovered	827,140	753,110	670,577	301,611
Cash management charges	159,616	300,314	159,616	300,314
Income from agency and brokerage	73,260	45,236	65,123	41,731
Income from other finacial services	60,396	18,648	622	168
Income from other investments	974,898	1,704,542	848,672	1,502,779
Income from asset management	448,458	131,469	448,458	-
	5,061,020	**6,791,532**	**4,696,201**	**6,406,138**

14 Personnel expenses

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Wages and salaries	33,708,985	27,612,933	27,441,292	22,863,177
Increase in liability for long term incentive plan (see note 37 (a) (i))	846,700	632,246	839,627	632,246
Contributions to defined contribution plans	794,186	985,003	573,656	807,503
Restricted Share Performance Plan (a)	599,992	317,130	528,896	283,105
	35,949,863	**29,547,312**	**29,383,471**	**24,586,031**

15 Other operating expenses

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Premises and equipment costs	6,109,151	4,976,720	5,036,288	4,057,823
Professional fees	3,291,144	1,472,579	2,832,270	1,249,101
Insurance	787,541	686,263	646,036	560,655
Business travel expenses	5,402,500	4,990,915	5,056,433	4,654,708
Asset Management Corporation of Nigeria (AMCON) surcharge (see note (a) below)	9,044,790	8,770,267	9,044,790	8,770,267
Deposit insurance premium	4,365,536	4,016,666	4,365,536	4,016,666
Auditor's renumeration	266,051	292,820	197,000	241,085
Administrative expenses	11,092,611	14,924,129	10,918,368	14,088,348
Board expenses	372,756	372,907	286,302	292,217
Communication expenses	1,823,200	1,886,824	1,229,292	1,344,566
Consultancy and IT expenses	8,872,466	9,581,645	7,986,968	9,230,394
Outsourcing costs	5,072,382	4,242,605	4,493,724	4,203,465
Advertisements and marketing expenses	3,051,741	3,033,992	2,798,212	2,659,876
Recruitment and training	1,367,818	2,450,860	1,105,363	2,054,250
Events, charities and sponsorship	1,938,382	1,171,376	1,854,286	1,085,925
Periodicals and subscriptions	709,874	502,310	612,241	480,017
Security expenses	2,438,381	2,102,103	2,181,392	1,922,612
Cash processing and management cost	1,346,725	891,070	1,269,375	835,752
Stationeries, postage and printing	1,130,157	1,146,951	880,915	566,484
Office provisions and entertainment	343,859	312,148	229,213	230,896
	68,827,066	**67,825,151**	**63,024,001**	**62,545,105**

(a) This represents the Group's contribution to AMCON's sinking fund for the period ended 30 September 2016. Effective 1 January 2011, the banks in Nigeria were required to contribute 0.3% of total assets as at the preceding year end to AMCON's sinking fund in line with existing guidelines. This was increased to 0.5% in 2013. The contribution to AMCON is a levy on all deposit money banks in Nigeria. It is non-refundable and does not represent any ownership interest nor does it confer any rights or obligations (save to pay the levy) on the contributor.

16 Income tax expense

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Current tax expense				
Corporate income tax	3,834,610	4,940,916	2,169,598	2,633,159
IT tax	627,026	532,918	627,026	532,918
Education tax	124,870	204,866	124,870	204,866
Capital gains tax	864	-	864	-
	4,587,370.29	5,678,700.00	2,922,358.48	3,370,943.70
Deferred tax expense				
Origination of temporary differences	10,321,177	6,600,600	10,100,977	5,843,456
Total income tax expense	**14,908,548**	**12,279,300**	**13,023,336**	**9,214,400**

17 The movement in the current income tax liability is as follows:

	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Balance at the beginning of the year	7,780,824	8,180,969	6,442,311	7,113,226
Tax paid	(6,780,360)	(6,259,617)	(4,094,095)	(4,125,701)
Income tax charge	4,587,370	8,485,122	2,922,358	5,850,624
Witholding tax utilisation	(2,270,822)	(2,395,838)	(2,270,822)	(2,395,838)
Reclassifications	(6,664)	(83,009)	-	-
Translation adjustments	(266,962)	(129,492)	-	-
Income tax receivable	8,585	(17,311)	-	-
Balance at the end of the period	**3,051,971**	**7,780,824**	**2,999,752**	**6,442,311**

Income tax liability is to be settled within one period

In thousands of Naira	Group September 2016	Group September 2016	Group September 2015	Group September 2015
Profit before income tax		72,003,989		60,371,855
Income tax using the domestic tax rate	30%	21,601,197	30%	18,111,556
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	627,026	1%	532,918
Capital allowance utilised for the period	0%	-	0%	-
Non-deductible expenses	31%	22,077,542	11%	6,369,968
Tax exempt income	-41%	(29,522,951)	-15%	(8,824,958)
Tax losses unutilised	0%	-	0%	209,356
Education tax levy	0%	124,870	0%	-
Capital gain tax	0%	864	0%	-
Under provided in prior years	0%	-	0%	-
Impact of dividend as tax base	0%	-	0%	-
Effective tax rate	**21%**	**14,908,548**	**27%**	**16,398,840**

In thousands of Naira	Bank September 2016	Bank September 2016	Bank September 2015	Bank September 2015
Profit before income tax	-	62,702,647		52,827,028
Income tax using the domestic tax rate	30%	18,810,794	30%	15,848,108
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	627,026	1%	532,918
Non-deductible expenses	34%	21,015,516	6%	3,308,552
Tax exempt income	-44%	(27,555,735)	-20%	(10,680,044)
Education tax levy	0%	124,870	0%	204,866
Capital gain tax	0%	864	0%	-
Effective tax rate	**21%**	**13,023,336**	**17%**	**9,214,400**

18 Earnings per share

(a) Basic from continuing operations

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Profit for the period from continuing operations	56,559,953	47,549,367	49,679,311	43,612,628
Weighted average number of ordinary shares in issue	28,927,972	23,554,592	28,927,972	23,554,592
Weighted average number of treasury Shares	377,467	-	-	-
	28,550,505	23,554,592	28,927,972	23,554,592
In kobo per share				
Basic earnings per share from continuing operations	198	201	172	185

Diluted earnings per share is calculated by considering the impact of the treasury shares in weighted average number of ordinary shares outstanding

Potential Diluted EPS

In thousands of Naira	Group September 2016	Group September 2015	Bank September 2016	Bank September 2015
Profit for the period from continuing operations	56,559,953	47,549,367	49,679,311	43,612,628
Weighted average number of ordinary shares in issue	28,927,972	23,554,592	28,927,972	22,882,920
In kobo per share				
Diluted earnings per share from continuing operations	196	202	172	191

19a Cash and balances with banks

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Cash on hand and balances with banks (see note (i))	97,254,213	85,299,149	59,421,616	57,546,509
Restricted deposits with central banks (see note (ii))	279,876,599	249,954,817	277,092,745	248,182,477
Unrestricted balances with central banks	101,568,969	90,721,388	11,477,461	74,158,434
Money market placements	124,895,071	52,433,982	33,699,511	26,111,216
	603,594,853	**478,409,336**	**381,691,333**	**405,998,636**

(i) Included in cash on hand and balances of N24.24Bn (31 Dec 2015: N5.239Bn) with banks is an amount representing the Naira value of foreign currencies held on behalf of customers to cover letter of credit transactions. The corresponding liability is included in customer's deposit for foreign trade reported under other liabilities (see Note 34). This has been excluded for cash flow purposes.

(ii) Restricted deposits with central banks comprise the cash reserve requirements of the Central Bank of Nigeria and other central banks of jurisdictions that the group operates in. These balances are not available for day to day operations of the group.

19b Investment under management

The Securities and Exchange Commission (SEC) issued a rule on return of unclaimed dividends to paying companies by the Registrars. The rule requires that all unclaimed dividends in the custody of Registrars should be returned to the paying company twelve months after the approval of the dividends at the annual general meeting (for final dividends) or board meeting (for interim dividends). The rule allows the paying company to invest the pool of unclaimed dividend in a guaranteed income investment outside the company with all the benefits accruing to it, but retaining the obligation to pay sum owed should the shareholder come forward.

In furtherance to this, the Bank entrusted the sum transferred to it by the Registrars with select Asset Managers who will ensure safekeeping of the unclaimed dividend pool and manage the funds for the benefit of the Bank. As at 31 September 2016, the funds were invested by the Asset Managers as follows:

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Call Deposits and Cash	266,523	918	266,523	918
Placements	615,720	4,926,561.95	615,720	4,926,562
Commmercial Paper	3,366,918	304,377.61	3,366,918	304,378
Nigerian Treasury Bills	4,898,122	3,090,432.33	4,898,122	3,090,432
Mutual Funds	2,256,430	2,081,317.80	2,256,430	2,081,318
	11,403,713	**10,403,608**	**11,403,713**	**10,403,608**

The corresponding liability which is due to the Registrar is reported in Other liabilities. See note 34

20 Non pledged trading assets

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Government bonds	1,375,374	1,961,355	1,375,374	1,961,355
Eurobonds	10,691	63,645	10,691	63,645
Treasury bills	56,839,790	50,209,443	56,839,790	50,209,443
Equity securities	63,979	63,979	63,979	63,979
	58,289,834	**52,298,422**	**58,289,834**	**52,298,422**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2016		December 2015	
Group				
Foreign exchange derivatives				
Total derivative assets	628,799,553	201,250,877	347,991,933	77,905,020
Total derivative liabilities	170,635,590	(30,437,537)	120,767,876	(3,077,927)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2016		December 2015	
Bank				
Foreign exchange derivatives				
Total derivative assets	628,771,557	201,222,881	340,643,495	77,852,349
Total derivative liabilities	168,901,539	(28,703,485)	100,157,405	(2,416,378)

Derivative financial instruments consist of forward and swap contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates of between 90 days and three years. All derivative contracts are considered to be valued with reference to observable market data.

22 Loans and advances to banks

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Loans and advances to banks	36,214,022	42,742,996	94,346,551	60,423,807
Collective allowances for impairment	(13,443)	(9,086)	(13,443)	(9,086)
	36,200,579	**42,733,910**	**94,333,107**	**60,414,721**

Collective allowances for impairment on loans and advances to banks

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Balance beginning of year	9,086	6,341	9,086	6,341
- Charge for the period/(allowances no longer required)	4,357	2,745	4,357	2,745
Balance end of period	13,443	9,086	13,443	9,086

23 Loans and advances to customers

a **Group**

September 2016 *In thousands of Naira*	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
Loans and advances to individuals and corporate entities	1,840,228,567	(16,456,292)	(22,833,259)	(39,289,551)	1,800,939,016
	1,840,228,567	**(16,456,292)**	**(22,833,259)**	**(39,289,551)**	**1,800,939,016**

Group

December 2015 *In thousands of Naira*	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
Loans and advances to individuals and corporate entities	1,394,521,639	(10,482,678)	(18,208,130)	(28,690,808)	1,365,830,831
	1,394,521,639	**(10,482,678)**	**(18,208,130)**	**(28,690,808)**	**1,365,830,831**

Impairment on loans and advances to customers

	Specific allowances		Collective allowances	
In thousands of Naira	September 2016	December 2015	September 2016	December 2015
Balance beginning of year	10,482,678	7,967,529	18,208,130	11,014,296
Impairment loss for the year:				
- Charge for the period	6,764,460	3,643,214	4,625,129	7,193,834
Write-offs	(790,846)	(1,128,065)	-	-
Balance end of period	**16,456,292**	**10,482,678**	**22,833,259**	**18,208,130**

23 Loans and advances to customers
b Bank

September 2016 *In thousands of Naira*	**Gross amount**	**Specific impairment allowance**	**Collective impairment allowance**	**Total impairment allowance**	**Carrying amount**
Loans and advances to individuals and corporate entities	1,630,734,317	(14,409,227)	(22,177,348)	(36,586,575)	1,594,147,741
	1,630,734,317	**(14,409,227)**	**(22,177,348)**	**(36,586,575)**	**1,594,147,741**

Bank

December 2015 *In thousands of Naira*	**Gross amount**	**Specific impairment allowance**	**Collective impairment allowance**	**Total impairment allowance**	**Carrying amount**
Loans and advances to individuals and corporate entities	1,270,121,392	(9,173,223)	(17,732,860)	(26,906,082)	1,243,215,310
	1,270,121,392	**(9,173,223)**	**(17,732,860)**	**(26,906,082)**	**1,243,215,310**

Impairment on loans and advances to customers

	Specific Impairment		**Collective Impairment**	
In thousands of Naira	**September 2016**	**December 2015**	**September 2016**	**December 2015**
Balance beginning of year	9,173,223	6,340,159	17,732,860	10,665,978
Impairment loss for the period:				
- Charge for the period	5,236,004	2,833,064	4,444,488	7,066,882
Write-offs	-	-	-	-
Balance end of period	**14,409,227**	**9,173,223**	**22,177,348**	**17,732,860**

24 Pledged assets

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Treasury bills	180,209,539	106,934,817	180,209,539	103,684,044
Government bonds	147,885,079	96,780,580	147,885,079	96,780,580
	328,094,618	**203,715,397**	**328,094,618**	**200,464,624**
The related liability for assets pledged as collateral				
Bank of Industry (BOI)	20,935,761	29,227,231	20,935,761	29,227,231

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. Also included in pledged assets are assets pledged as collateral or security deposits to clearing house and payment agencies of N20.66Bn (31 December 2015: N25.7Bn) for which there is no related liability. The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets.

25 Investment securities

Available for sale investment securities *In thousands of Naira*	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Debt securities				
Government bonds	17,557,452	54,679,355	10,398,178	54,679,355
Treasury bills	35,244,375	28,996,006	957,228	10,436,981
Eurobonds	2,962,515	6,524,859	2,962,515	6,016,748
Equity securities				
Equity securities with readily determinable fair	60,768,649	44,772,710	60,578,640	44,755,565
Unquoted equity securities at cost	3,145,697	3,145,697	3,145,697	3,145,697
	119,678,689	138,118,627	78,042,258	119,034,346
Specific allowance for impairment on equity securities	(3,404,341)	(3,326,077)	(3,404,341)	(3,326,077)
	116,274,348	**134,792,550**	**74,637,917**	**115,708,269**

(i) Equity securities with readily determinable fair values (carrying amount)

MTN Nigeria	11,809,616	8,317,689	11,809,616	8,317,689
Central securities clearing system limited	1,447,113	1,775,756	1,447,113	1,775,756
Nigeria interbank settlement system plc.	1,141,579	1,027,168	1,141,579	1,027,168
IBTC pension managers limited	669,580	1,144,748	669,580	1,144,748
Unified payment services limited	2,452,323	2,518,309	2,452,323	2,518,309
Africa finance corporation	41,079,816	28,658,942	41,079,816	28,658,942
Juli pharmacy plc	-	11,358	-	11,358
E-Tranzact	1,376,864	729,738	1,376,864	729,738
African export-import bank	10,625	2,675	10,625	2,675
FMDQ OTC Plc	111,484	147,746	111,484	137,746
Nigerian mortage refinance company plc.	202,346	200,000	202,345	200,000
Credit reference company	277,295	231,436	277,295	231,436
Others	190,008	7,145	-	-
	60,768,649	44,772,710	60,578,640	44,755,565

Held to maturity investment securities *In thousands of Naira*				
Debt securities				
Treasury bills	18,091,063	7,687,281	-	-
Federal government bonds	526,436	31,962,858	375,822	31,044,676
State government bonds	5,142,971	6,550,060	5,142,971	6,550,060
AMCON bonds (see note below)				
Corporate bonds	1,630,936	3,580,595	1,630,936	1,684,150
Eurobonds	2,605,071	1,649,782	2,605,071	1,007,643
	27,996,477	51,430,576	9,754,799	40,286,529
Total	**144,270,825**	**186,223,126**	**84,392,716**	**155,994,798**

Specific allowance for impairment on available for sale investment securities at cost

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Balance, beginning of year	3,326,077	3,145,697	3,326,077	3,145,697
Translation difference	78,264	-	78,264	-
Additional allowance	-	180,380	-	180,380
Balance, end of period	**3,404,341**	**3,326,077**	**3,404,341**	**3,326,077**

26 Other assets

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Financial assets				
Accounts receivable	49,430,053	37,555,560	39,261,959	34,067,809
Receivable on E-business channels	14,875,204	9,163,800	12,923,945	9,163,800
Recievable from disposal of Non-current asset	21,970,818	22,578,046	21,970,818	22,578,046
Receivable from AMCON	5,498,909	5,498,909	5,498,909	5,498,909
Subscription for investment	25,001	25,001	1,926,812	861,759
	91,799,985	74,821,316	81,582,443	72,170,323
Non-financial assets				
Prepayments	25,677,391	10,234,249	20,676,362	8,494,119
Inventory	787,250	619,515	748,828	619,516
	26,464,641	10,853,764	21,425,190	9,113,635

Inventory consists of blank debit cards, cheque leaves, computer consumables and other stationery held by the Bank.

Gross other assets	118,264,626	85,675,080	103,007,634	81,283,958
Allowance for impairment on financial assets	(2,760,281)	(2,660,577)	(2,760,281)	(2,660,577)
	115,504,345	**83,014,503**	**100,247,353**	**78,623,381**

Movement in allowance for impairment on other assets:

In thousands of Naira	Group	Bank
Balance as at 1 January 2015	22,321,171	22,321,171
Impairment loss for the period:		
- Additional provision	3,276,197	3,276,197
- Provision no longer required	(71,655)	(71,655)
Net impairment	3,204,542	3,204,542
Allowance written off	(22,865,136)	(22,865,136)
Balance as at 31 December 2015/ 1 January 2016	2,660,577	2,660,577
Impairment loss for the period:		
- Additional provision	932,355	932,355
- Provision no longer required	-	-
Net impairment	932,355	932,355
Allowance written off	(832,652)	(832,652)
Balance as at 30 September 2016	2,760,281	2,760,281

27(a) Subsidiaries (with continuing operations)
(i) Group entities

Set out below are the group's subsidiaries as at 30 September 2016. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity . There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances

			Ownership interest	
	Nature of business	**Country of incorporation**	**September 2016**	**December 2015**
Access Bank Gambia Limited	Banking	Gambia	64%	64%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	97%	97%
Access Bank Rwanda Limited	Banking	Rwanda	75%	75%
Access Bank Zambia	Banking	Zambia	92%	92%
The Access Bank UK	Banking	United Kingdom	100%	100%
Access Bank R.D. Congo	Banking	Congo	74%	74%
Access Bank Ghana	Banking	Ghana	92%	92%
Access Finance B.V.	Banking	Netherlands	100%	100%

Access Finance B.V. was incorporated in 2011 and commenced operations in 2012. An obligation also exists between the Bank and Access Finance B.V., for which Access Finance B.V. lent to the Bank the sum of USD 2,462,000 as a share premium loan. The loan agreement between both parties however permits that the obligation of Access Finance B.V. to grant the loan, be set off against the obligation of the Bank to repay the loan such that each party's obligation either as a borrower or lender is discharged. In view of this, no loan payable has been recognized in the Bank's financial statements.

(ii) Subsidiaries undergoing liquidation

			Ownership interest	
	Nature of business	**Country of incorporation**	**September 2016**	**December 2015**
Flexmore Technologies Limited	IT Services	Nigeria	0%	0%

This subsidiary is currently undergoing a winding-down process through the appointment of a court ordered receiver manager to manage their affairs. As a result of this event, the Bank has lost control without a change in absolute or relative ownership level. The loss of control in these subsidiaries, have been accounted for in the financial statements.

On 13 April 2016, the Corporate Affairs Commission (CAC) gave approval for the liquidation of the entity with a three month notice period starting 1 April 2016. At the expiration of the notice period, the entity is considered liquidated.

(iii) Structured entities:

			Ownership interest	
	Nature of business	**Country of incorporation**	**September 2016**	**December 2015**
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

27(b) Investment in subsidiaries

In thousands of Naira	Bank September 2016	Bank December 2015
Subsidiaries with continuing operations		
Access Bank, UK	29,104,080	18,501,269
Access Bank, Ghana	13,704,428	13,704,428
Access Bank Rwanda	1,578,825	1,578,825
Access Bank, Congo	2,779,650	2,779,650
Access Bank, Zambia	4,274,925	4,274,925
Access Bank, Gambia	1,853,756	1,853,756
Access Bank, Sierra Leone	1,019,951	1,019,951
Investment in RSPP scheme	2,907,674	1,722,350
Access Bank Finance B.V.	4,092	4,092
Subsidiaries undergoing liquidation		
Flexmore Technologies Limited	-	100,000
	57,227,381	45,539,246
Specific allowances for impairment on investment in subsidiaries	-	(100,000)
Balance, end of period	**57,227,381**	**45,439,246**

Specific allowances for impairment on investment in subsidiaries

In thousands of Naira	Bank September 2016	Bank December 2015
Balance, beginning of year	100,000	100,000
Allowance written off	(100,000)	-
Balance, end of year	-	100,000

Based on the contractual arrangements between the Group and the shareholders in each of the entities, the Group has the power to appoint and remove the majority of the board of Directors of each entity.

The relevant activities of each of the listed subsidaries are determined by the Board of Directors of each entity based on simple majority shares. Therefore, the directors of the Group concluded that the Group has control over each of the above listed entities and were consolidated in the group financial statements.

27 (c) Condensed results of consolidated entities
(i) The condensed financial data of the consolidated entities as at 30 September 2016, are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.
Operating income	6,033,099	13,261,745	1,940,870	1,826,361	1,165,009	645,536	687,187	80,897	38,584
Operating expenses	(3,067,396)	(6,588,841)	(1,503,409)	(1,413,419)	(987,241)	(473,829)	(513,505)	-	(5,164)
Net impairment on financial assets	-	(1,436,951)	(12,671)	(1,072)	(174,683)	(23,844)	(70,318)	-	-
Profit before tax	2,965,703	5,235,953	424,790	411,870	3,085	147,863	103,364	80,897	33,420
Taxation	(624,281)	(1,102,168)	(89,418)	(86,699)	(649)	(31,125)	(21,758)	-	(7,035)
Profit for the period	2,341,423	4,133,785	335,372	325,171	2,436	116,738	81,606	80,897	26,385
Assets									
Cash and balances with banks	195,399,342	46,287,952	12,231,518	4,959,936	9,075,053	2,147,593	2,295,417	-	352,721
Non pledged trading assets	-	72,750	-	-	-	-	-	-	-
Loans and advances to banks	30,182,086	-	-	-	-	-	-	-	114,496,255
Loans and advances to customers	156,775,352	101,193,445	12,552,661	13,050,900	4,666,839	1,172,520	604,494	-	-
Investment securities	20,292,495	24,103,426	2,597,289	-	2,736,972	5,947,777	4,600,512	3,139,967	-
Other assets	1,531,911	9,689,336	416,173	1,322,098	1,936,320	181,649	429,005	-	2,976
Property and equipment	111,951	8,418,834	845,301	1,444,022	599,806	822,013	417,046	-	-
Intangible assets	360,124	397,905	-	77,766	218,387	108,946	26,612	-	-
Deferred tax assets	-	404,116	-	-	451,519	-	162,291	-	-
	404,653,262	190,567,765	28,642,943	20,854,722	19,684,897	10,380,499	8,535,377	3,139,967	114,851,952
Financed by:									
Deposits from banks	237,318,346	13,045,168	583,065	-	1,121,254	-	636	-	-
Deposits from customers	119,278,143	139,824,542	21,147,519	14,341,867	14,717,497	7,034,590	6,334,933	-	-
Debt securities issued	-	-	-	-	-	-	-	-	113,624,377
Retirement benefit obligations	87,590	-	-	-	94	-	-	-	-
Current income tax liability	135,365	183,450	133,857	112,218	524	25,137	17,572	-	49,836
Other liabilities	3,044,073	3,879,749	2,691,362	1,031,328	375,779	117,370	422,165	-	25,579
Borrowings	-	261,719	-	-	-	-	-	-	-
Deferred tax liability	-	227,053	-	-	-	82,607	-	-	-
Equity	44,789,745	33,146,085	4,087,140	5,369,309	3,469,748	3,120,795	1,760,071	3,139,967	1,152,159
	404,653,262	190,567,765	28,642,943	20,854,722	19,684,897	10,380,499	8,535,377	3,139,967	114,851,952

27 (d) Condensed results of consolidated entities
(i) The condensed financial data of the consolidated entities, are as follows:

Condensed income statement for the period ended 30 September, 2015

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.
Operating income	4,183,580	10,673,538	1,385,360	1,312,144	1,008,344	758,207	557,383	43,996	36,547
Operating expenses	(2,473,832)	(4,877,736)	(1,206,406)	(1,065,342)	(951,215)	(394,391)	(451,831)	-	(5,818)
Net impairment on financial assets	-	(290,348)	18,293	-	(52,855)	(46,266)	(10,523)		-
Profit before tax	1,709,748	5,505,454	197,247	246,802	4,273	317,550	95,029	43,996	30,728
Taxation	(590,075)	(1,900,064)	(68,075)	(85,178)	(1,475)	(387,237)	(32,797)	-	(8,199)
Profit for the period	1,119,673	3,605,390	129,172	161,624	2,798	(69,687)	62,232	43,996	22,529

Financial Position as at 31 December 2015

Assets	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.
Cash and balances with banks	45,245,533	34,911,799	7,637,323	5,171,427	4,375,250	1,762,148	2,133,665	-	2,657,153
Pledged assets	-	-	-	-	-	3,250,773	-	-	-
Derivative financial instruments	63,528	-	-	-	-	-	-	-	-
Loans and advances to banks	86,554,437	-	-	-	-	-	-	-	69,584,024
Loans and advances to customers	42,761,574	62,251,287	6,669,073	6,262,020	3,100,601	824,185	746,783	-	-
Investment securities	4,181,497	18,313,343	2,008,702	-	2,042,227	-	3,763,874	1,722,350	-
Other assets	714,834	3,604,904	239,902	559,934	2,216,546	124,350	262,785	-	-
Property and equipment	292,135	4,780,307	42,002	916,619	425,257	619,042	354,179	-	-
Intangible assets	29,644	276,988	307,609	32,550	44,055	59,861	30,994	-	-
Deferred tax assets	-	266,434	-	-	277,836	-	120,510	-	-
	179,843,182	124,405,062	16,904,611	12,942,550	12,481,772	6,640,359	7,412,790	1,722,350	72,241,177
Financed by:									
Deposits from banks	103,782,307	13,714,385	-	-	583,834	-	-	-	-
Deposits from customers	50,042,098	88,548,465	13,440,311	8,904,983	9,426,433	4,103,594	5,033,441	-	-
Derivative Liability	672,406	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	71,336,985
Retirement benefit obligations	-	-	-	-	-	-	8,471	-	-
Current income tax liability	482,483	756,851	5,372	23,834	28,989	-	-	-	51,728
Other liabilities	1,837,532	2,701,530	926,300	672,699	481,930	438,292	942,628	-	164,701
Borrowings	-	55,186	-	-	-	-	-	-	-
Deferred tax liability	-	149,719	61,570	-	-	55,355	-	-	-
Equity	23,026,356	18,478,926	2,471,058	3,341,034	1,960,586	2,043,118	1,428,250	1,722,350	687,763
	179,843,182	124,405,062	16,904,611	12,942,550	12,481,772	6,640,359	7,412,790	1,722,350	72,241,177

28 Property and equipment
Group
In thousands of Naira

	Land and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost						
Balance at 1 January 2016	57,073,874	17,762,955	29,241,820	9,898,894	7,755,534	121,733,077
Acquisitions	2,967,027	3,218,375	3,893,554	1,396,427	2,022,342	13,497,724
Disposals	(118,638)	(219,535)	(391,695)	(425,585)	(129,535)	(1,284,988)
Transfers	2,588,339	74,812	58,191	-	(3,037,572)	(316,230)
Write-offs	-	-	-	-	(155,143)	(155,143)
Reclassifications	-	-	-	-	(53,105)	(53,105)
Translation difference	2,451,087	1,011,680	1,673,479	504,994	379,321	6,020,562
Balance at 30 September 2016	**64,961,689**	**21,848,287**	**34,475,349**	**11,374,730**	**6,781,843**	**139,441,898**
Balance at 1 January 2015	54,681,145	15,712,421	25,564,194	8,366,282	7,016,361	111,340,403
Acquisitions	2,968,814	1,874,068	4,683,327	2,155,869	2,212,955	13,895,033
Disposals	(629,392)	(672,148)	(587,871)	(870,818)	(404,199)	(3,164,428)
Transfers	122,018	711,695	69,259	52,446	(955,418)	-
Write-offs	-	-	-	-	(58,394)	(58,394)
Translation difference	(68,710)	136,919	(487,089)	195,115	(55,772)	(279,537)
Balance at 31 December 2015	57,073,874	17,762,955	29,241,820	9,898,894	7,755,534	121,733,076

Depreciation and impairment losses	Leasehold improvement and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2016	9,286,024	12,318,555	20,442,415	6,356,156	-	48,403,150
Charge for the period	1,340,579	1,908,994	2,451,223	896,649	-	6,597,445
Disposal	(10,320)	(219,456)	(378,341)	(376,816)	-	(984,933)
Write-Offs	-	-	(117)	-		(117)
Translation difference	606,515	851,353	739,922	124,447	-	2,322,236
Balance at 30 September 2016	**11,222,798**	**14,859,445**	**23,255,101**	**7,000,436**	**-**	**56,337,781**
Balance at 1 January 2015	7,723,192	10,955,180	17,509,380	5,492,944	-	41,680,695
Charge for the period	1,652,283	1,841,749	3,589,272	1,531,833	-	8,615,137
Disposal	(66,157)	(671,981)	(579,859)	(804,134)	-	(2,122,131)
Write-Offs					-	-
Translation difference	(23,294)	193,607	(76,378)	135,513	-	229,448
Balance at 31 December 2015	9,286,024	12,318,555	20,442,415	6,356,156	-	48,403,149
Carrying amounts:						
Balance at 30 September 2016	**53,738,891**	**6,988,842**	**11,220,248**	**4,374,294**	**6,781,843**	**83,104,117**
Balance at 31 December 2015	47,787,850	5,444,400	8,799,405	3,542,738	7,755,534	73,329,927

28 Property and equipment
Bank

In thousands of Naira	**Land and buildings**	**Computer hardware**	**Furniture & fittings**	**Motor vehicles**	**Capital Work-in - progress**	**Total**
Cost						
Balance at 1 January 2016	52,737,676	15,863,065	26,748,468	8,644,918	5,388,964	109,383,090
Acquisitions	2,131,483	2,732,820	3,414,269	1,079,126	1,266,675	10,624,372
Disposals	(115,003)	(219,535)	(371,695)	(347,533)	(129,535)	(1,183,301)
Transfers	1,504,158	-	29,306	-	(1,533,464)	-
Reclassifications	-	-	-	-	(53,105)	(53,105)
Write-Offs	-	-	-	-	(155,143)	(155,143)
Balance at 30 September 2016	**56,258,312**	**18,376,350**	**29,820,348**	**9,376,512**	**4,784,392**	**118,615,914**
Balance at 1 January 2015	50,672,751	14,220,988	23,331,037	7,457,145	6,185,630	101,867,551
Acquisitions	2,648,337	1,601,863	3,975,251	1,870,477	496,193	10,592,119
Disposals	(629,392)	(668,870)	(587,831)	(735,149)	(396,944)	(3,018,186)
Transfers	45,979	709,084	30,012	52,446	(837,521)	-
Write-Offs	-	-	-	-	(58,394)	(58,394)
Balance at 31 December 2015	52,737,676	15,863,065	26,748,468	8,644,918	5,388,964	109,383,090

Depreciation and impairment losses	**Leasehold improvement and buildings**	**Computer hardware**	**Furniture & fittings**	**Motor vehicles**	**Capital Work-in - progress**	**Total**
Balance at 1 January 2016	8,207,290	10,985,168	18,767,401	5,522,848	-	43,482,708
Charge for the period	1,103,285	1,646,604	2,183,248	738,116	-	5,671,253
Disposal	(10,320)	(219,456)	(370,388)	(299,931)	-	(900,095)
Balance at 30 September 2016	**9,300,256**	**12,412,316**	**20,580,261**	**5,961,033**	**-**	**48,253,866**
Balance at 1 January 2015	6,782,532	9,982,857	16,071,183	4,870,652	-	37,707,223
Charge for the year	1,476,578	1,671,014	3,276,037	1,338,662	-	7,762,292
Disposal	(51,819)	(668,703)	(579,819)	(686,466)	-	(1,986,806)
Write-Off	-	-	-	-	-	-
Balance at 31 December 2015	8,207,290	10,985,168	18,767,401	5,522,848	-	43,482,708
Carrying amounts:						
Balance at 30 September 2016	**46,958,056**	**5,964,035**	**9,240,087**	**3,415,479**	**4,784,392**	**70,362,048**
Balance at 31 December 2015	44,530,385	4,877,897	7,981,067	3,122,070	5,388,964	65,900,384

(a) The amount of contractual commitments for the acquisition of property and equipment as at 30 September 2016 is N2,843,002,223 (31 Dec 2015: N330,891,261)

(b) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting period. Any changes are accounted for prospectively as a change in estimate.

29 Intangible assets

Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Total
Cost				
September 2016				
Balance at 1 January 2016	681,007	-	12,060,445	12,741,452
Acquisitions	-	231,569	1,102,322	1,333,891
Transfer	-	-	316,229	316,229
Reclassification	-	-	53,105	53,105
Translation difference	-	-	(191,659)	(191,659)
Balance at 30 September 2016	**681,007**	**231,569**	**13,340,443**	**14,253,019**
December 2015				
Balance at 1 January 2015	681,007	740,711	9,946,474	11,368,192
Acquisitions	-	-	2,146,643	2,146,643
Transfer	-	(740,711)	740,711	-
Write off	-	-	(512,802)	
Translation difference	-	-	(260,581)	(260,581)
Balance at 31 December 2015	681,007	-	12,060,445	13,254,254
Amortization and impairment losses				
Balance at 1 January 2016	-	-	6,300,836	6,300,836
Amortization for the period	-	-	1,488,522	1,488,522
Write off	-	-	-	-
Translation difference	-	-	332,257	332,257
Balance at 30 September 2016	-	-	**8,121,615**	**8,121,615**
Balance at 1 January 2015	-	-	5,775,201	5,775,201
Amortization for the period	-	-	1,483,193	1,483,193
Write off	-	-	(512,802)	
Translation difference	-	-	(444,756)	(444,756)
Balance at 31 December 2015	-	-	6,300,836	6,813,638
Net Book Value				
Balance at 30 September 2016	**681,007**	**231,569**	**5,218,828**	**6,131,404**
Balance at 31 December 2015	681,007	-	5,759,609	6,440,616

Bank

In thousands of Naira	WIP	Purchased Software	Total
Cost			
September 2016			
Balance at 1 January 2016	-	10,348,678	10,348,677
Acquisitions	231,569	954,216	1,185,785
Reclassification	-	53,105	53,105
Balance at 30 September 2016	-	11,356,000	11,587,567
December 2015			
Balance at 1 January 2015	740,711	8,255,600	8,996,311
Acquisitions	-	1,865,169	1,865,169
Transfers	(740,711)	740,711	-
Write off	-	(512,802)	(512,802)
Balance at 31 December 2015	-	10,348,678	10,348,677
Amortization and impairment losses			
Balance at 1 January 2016	-	5,370,770	5,370,770
Amortization for the period	-	1,275,134	1,275,134
Balance at 30 September 2016	-	6,645,904	6,645,904
Balance at 1 January 2015	-	4,559,497	4,559,497
Amortization for the period	-	1,324,075	1,324,075
Write off	-	(512,802)	(512,802)
Balance at 30 December 2015	-	5,370,770	5,370,770
Carrying amounts			
Balance at 30 September 2016	**-**	**4,710,095**	**4,941,663**
Balance at 31 December 2015	-	4,977,908	4,977,907

There were no capitalised borrowing costs related to the internal development of software during the period under review. 30 September 2016 (2015: nil). Computer software has a definite useful life of not more than five years in line with the Bank's accounting policy, while Goodwill has an indefinite useful life and is annually assessed for impairment.

Amortization method used is straight line.

29(b) Intangible assets

(i) **Goodwill is attributable to the acquisition of following subsidiaries:**

In thousands of Naira	September 2016	December 2015
Access Bank Rwanda	681,007	681,007
	681,007	681,007

The recoverable amount of Goodwill as at 30 September 2016 is greater than its carrying amount and is thus not impaired.

(ii) Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period, while no losses on goodwill were recognized during the period under review 30 September 2016 (31 December 2015: Nil)

The recoverable amount of Goodwill as at 30 September 2016 was greater than its carrying amount and is thus not impaired.
The recoverable amount was determined using a value-in-use computation as N5.25Bn.

Goodwill is monitored by the Group on an entity by entity basis
The key assumption used in computing the value-in-use for goodwil are as follows:

	Access Bank Rwanda
Compound annual volume growth (i)	7.96%
Long term growth rate (ii)	2.80%
Discount rate (ii)	19.10%
Revenue Growth	17.10%

(i) Compound annual volume growth rate in the initial four-year period.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience, actual operating results and the 4-year business plan. These cashflows are based on the expected revenue growth for the entity over this 4-year period.

Discount Rate
Pre-tax discount rate of 19.10% was applied in determining the recoverable amounts for the only entity with goodwil (Access Bank Rwanda). This discount rate was estimated using the risk-free rate and the country risk premium for Rewanda.

Longterm term growth rate
The long term growth rate applied was based on the long term growth rate in GDP of Rwanda

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

Revenue Growth
Revenue growth were projected based on past growth, actual operating income and the company's 4 year strategic plan. The revenue growth of 17.1% represents the average revenue growth of 4 years. The revenue growth was used to project the cashflow for the business.

Sensitvitiy analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	(563,166)	712,611
Impact of change in growth rate on value-in-use computation	60,273	(58,238)
Impact of change in revenue growth on value-in-use computation	288,817	(288,817)

30 Deferred tax assets and liabilities

(a) Group

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	September 2016			December 2015		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	13,458,341	-	13,458,341	11,259,522	-	11,259,522
Allowances/(Reversal) for loan losses	13,028,546	-	13,028,546	10,791,440	-	10,791,440
Tax loss carry forward	331,135	-	331,135	9,385,122	-	9,385,122
Exchange gain/(loss) unrealised	-	(28,583,793)	(28,583,793)	-	(22,630,791)	(22,630,791)
Fair value gain on investment property	-	-	-	-	(13,349)	(13,349)
Employee benefits	-	-	-	4,452	(111,469)	(107,017)
			-			-
Actuarial loss on retirement benefit obligation	1,921,928	-	1,921,928	1,894,041		1,894,041
Deferred tax assets (net)	28,739,950	(28,583,793)	156,157	33,334,577	(22,755,609)	10,578,968

(b) Bank

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	September 2016			December 2015		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	13,696,507	-	13,696,507	11,092,769	-	11,092,769
Allowances/(Reversal) for loan losses	13,009,812	-	13,009,812	10,496,790	-	10,496,790
Tax loss carry forward	-	-	-	9,328,023	-	9,328,023
Exchange gain/(loss) unrealised	-	(28,548,393)	(28,548,393)	-	(22,630,791)	(22,630,791)
Fair value gain on investment property	-	-	-	-	-	-
Actuarial loss on retirement benefit obligation	1,921,928	-	1,921,928	1,894,041	-	1,894,041
Net defered tax assets/(liabilities)	28,628,247	(28,548,393)	79,855	32,811,623	(22,630,791)	10,180,832

There were no unrecognized deferred tax assets or liabilities as at 30 September 2016 (31 December 2015: nil)

	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Deferred income tax assets				
– Deferred income tax asset to be recovered after more than 12 months	13,359,681	20,176,562	13,009,812	19,824,813
– Deferred income tax asset to be recovered within 12 months	15,380,269	13,158,015	15,618,436	12,986,810
	28,739,950	33,334,577	28,628,247	32,811,623
Deferred income tax liabilities				
– Deferred income tax liability to be recovered after more than 12 months	(28,583,793)	(22,630,791)	(28,548,393)	(22,630,791)
– Deferred income tax liability to be recovered within 12 months	-	(124,818)	-	-
	(28,583,793)	(22,755,609)	(28,548,393)	(22,630,791)

(c) Movement on the net deferred tax assets / (liabilities) account during the period:

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Balance, beginning of year	10,578,968	10,822,946	10,180,831	10,128,537
Tax charge	(10,321,177)	(684,222)	(10,100,977)	(402,545)
Translation adjustments	(101,633)	(14,594)	-	-
Items included in OCI	-	454,838	-	454,839
Net deferred tax assets/(liabilities)	156,157	10,578,968	79,854	10,180,831
Out of which				
Deferred tax assets	28,739,950	33,334,577	28,628,247	32,811,623
Deferred tax liabilities	(28,583,793)	(22,755,609)	(28,548,393)	(22,630,792)

Temporary difference relating to the Group's Investment in subsidiaries as at September 2016 is N2.80billion (Dec 2015: N3.0 billion). As the Group exercises control over the subsidiaries, it has the power to control the timing of the reversals of the temporary difference arising from its investments in them. The group has determined that the subsidiaries' profits and reserves will not be distributed in the foreseeable future and that the subsidiaries will not be disposed of. Hence, the deferred tax arising from the temporary differences above will not be recognised.

Items included in Other Comprehensive Income

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Actuarial gain/loss on retirement benefit obligation				
Gross loss on retirement benefit obligation	-	1,516,131	-	1,516,131
Deferred tax @ 30%	-	(454,839)	-	(454,839)
Net balance loss after tax	-	1,061,292	-	1,061,292

31 Assets classified as held for sale

In 2013, Access Bank Plc took over collateral of some customers and these were recorded in the books as Investment properties, as the Bank had no intention to make use of the property for administrative use. Management initiated a plan to dispose of these assets to willing buyers to comply with the CBN directive to dispose of its non-core assets and thus has been classified as assets held for sale. Management expects to have completed the transaction before the end of the next financial period. This amount has been presented in Note 7 as unallocated segment in accordance with IFRS 8.
These Assets have been valued by reputable estate surveyors and valuers using the comparable transactions method of valuation to arrive at the open market value. The valuers used bythe bank are Azuka Iheabunike & Partners and the Valuation was done in 2013
The Valuation Technique used by the valuer is Market Approach using Level 2 Inputs
The Bank's Asset which is located in Lagos State, include Flats at Salvador and Eric Moore Towers. The Bank's intention is to systematically dispose of the Flats at Eric Moore towers, Salvador towers within 12months

Assets held for sale

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Balance at 1st January	179,843	23,438,484	179,843	23,438,484
Disposals	(39,116)	(23,258,641)	(39,116)	(23,258,641)
Balance at period end	**140,727**	**179,843**	**140,727**	**179,843**

32 Deposits from financial institutions

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Money market deposits	48,641,304	35,923,012	18,638,528	1,522,968
Trade related obligations to foreign banks	123,733,122	36,991,409	96,539,549	61,820,817
	172,374,426	**72,914,421**	**115,178,077**	**63,343,785**

33 Deposits from customers

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Term deposits	898,881,429	706,327,211	750,856,787	632,818,563
Demand deposits	1,037,317,191	838,954,263	908,561,434	767,609,081
Saving deposits	162,362,175	137,962,846	144,547,508	127,786,239
	2,098,560,795	**1,683,244,320**	**1,803,965,730**	**1,528,213,883**

34 Other liabilities

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Financial liabilities				
Certified and bank cheques	3,532,182	1,780,404	2,591,560	1,676,220
E-banking payables	8,737,239	8,925,439	8,599,959	8,920,286
Collections account balances	12,954,249	28,271,575	12,141,881	28,249,768
Due to subsidiaries	-	-	210,250	914,789
Accruals	1,601,701	2,214,382	118,397	747,829
Creditors	11,985,736	1,904,665	10,605,214	1,622,762
Customer deposits for foreign exchange	35,237,533	7,973,447	35,056,400	7,973,447
Agency services	42,445	9,506	40,829	9,506
Unclaimed dividend	10,976,875	10,350,486	10,976,875	10,350,486
Other financial liabilities	7,503,324	3,847,417	4,227,014	2,406,392
	92,571,285	65,277,321	84,568,378	62,871,485
Non-financial liabilites				
Litigation claims provision (see (i)below)	613,886	1,220,780	613,886	1,220,780
Other current non-financial liabilties	3,285,064	2,857,846	3,136,174	2,093
Total other liabilities	**96,470,235**	**69,355,947**	**88,318,439**	**64,094,358**

(i) Movement in litigation claims provision	**Group September 2016**	**Group December 2015**	**Bank September 2016**	**Bank December 2015**
Opening balance	1,220,780	311,120	1,220,780	311,120
Additions	49,496	920,200	49,496	920,200
Claims paid during the period	(656,390)	-	(656,390)	-
Provision no longer required	-	(10,540)	-	(10,540)
Closing balance	**613,886**	**1,220,780**	**613,886**	**1,220,780**

35 Debt securities issued

In thousands of Naira	**Group September 2016**	**Group December 2015**	**Bank September 2016**	**Bank December 2015**
Debt securities at amortized cost:				
Eurobond debt from Access Bank B.V (see (i) below)	113,624,377	71,336,985	-	-
Eurobond debt security (see (ii) below)	126,077,659	78,516,655	126,077,659	78,516,655
	239,702,036	**149,853,640**	**126,077,659**	**78,516,655**

(i) This refers to US$350,000,000 guaranteed notes with amortized cost of N113,624,377,000 as at 30 September 2016 issued on 25 July 2012 by Access Finance B.V., Netherlands with a maturity date of 25 July 2017;

(ii) This refers to US$400,000,000 subordinate notes with amortized cost of N126,077,659,000 of 9.25% resettable interest issued on 24 June 2014 by Access Bank Nigeria with a maturity date of 24 June 2021.

The principal amount on both notes are payable at maturity, whilst interest is payable on a semi-annual basis at their respective interest rates.

36 Interest bearing borrowings

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
African Development Bank (see note (a))	29,330,892	18,920,425	29,330,892	18,920,425
Netherlands Development Finance Company (see note (b))	1,840,263	1,363,990	1,840,263	1,363,990
French Development Finance Company (see note (c))	10,449,887	10,212,950	10,449,887	10,212,950
European Investment Bank (see note (d))	27,870,702	14,237,242	27,870,702	14,237,242
International Finance Corporation (see note (e))	5,212,155	4,997,286	5,212,155	4,997,286
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (f))	4,851,724	5,544,920	4,851,724	5,544,920
Bank of Industry-Intervention Fund for SMEs (see note (g))	6,964,948	7,193,737	6,964,948	7,193,737
Bank of Industry-Power & Airline Intervention Fund (see note (h))	13,970,813	15,188,861	13,970,813	15,188,861
Access Finance B.V. (see note (i))	-	-	110,263,802	71,523,252
Special Refinancing & Restructuring Intervention fund (SRRIF) see note (j)	6,844,633	6,844,633	6,844,633	6,844,633
Central Bank of Nigeria - Salary Bailout facilities (see note (k))	65,354,161	56,442,213	65,354,161	56,442,213
Central Bank of Nigeria - Excess Crude Account (see note (l))	125,460,055	90,000,000	125,460,055	90,000,000
Other loans and borrowings	1,469,060	520,904	555,041	450,478
	299,619,293	**231,467,161**	**408,969,077**	**302,919,987**

There have been no defaults in any of the borrowings covenants during the period.

(a) The amount of N29,330,891,847.10 (USD 100,000,000) represents the outstanding balance in the on-lending facility granted to the Bank by ADB (Africa Development Bank) in two tranches one in August 2007 (USD 35m)for a period of 9 years, another in August 2014 (USD 90m) for a period of 10years and the other in June 2016 (USD 10m) . The principal amount is repayable semi-annually from February 2010 for the first tranche and February 2017 for the second and third tranche. Interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.28% ,2.00% and 2.04% respectively. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(b) The amount of N1,840,262,594.86 (USD 15,000,000) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from 15 December 2012 and disbursed in February 2013 (USD 10m) for a period of 6.5 years. The principal amount is repayable semi-annually from December 2015 while interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 5.16%. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(c) The amount of N10,449,887,167.46 (USD 33,875,000) represents the outstanding balance in the on-lending facility granted to the Bank by the French Development Finance Company effective from 15 December 2012 and disbursed in three tranches; February 2013 (USD 6m) and October 2013 (USD 9m) and November 2014 (USD 30m) for a period of 6.5 years each and 5 years respectively. The principal amount is repayable semi-annually from December 2014 with the latter repayable from January 2016 while interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.36% for the first tranche, 4.06% for the second tranche and 3.57% for the third tranche. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(d) The amount of N27,870,702,479 (USD 93,327,972)represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m) , June 2014 (USD 14.7m) , September 2015 (USD 29.75m) and March 2016 (USD 27.1m) for a period of 6 years each for the first three and period of 8 years each for the last two. The average annual effective interest rates are 3.48%, 2.97% , 3.18%, 2.97% and 2.97% respectively. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(e) The amount of N5,212,154,862 (USD 16,666,660) represents the outstanding balance on the on-lending facilities granted to the Bank by the International Finance Corporation (IFC) in November 2013 (USD 50m) for a period of 5 years. The principal amount is repayable semi-annually from December 2014 while interest is paid semi annually at 4% above 6months LIBOR. The annual effective interest rate is 4.80%.From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(f) The amount of N4,851,724,065 represents the outstanding balance in the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum period of 7 years at a zero percent interest rate to the Bank. The Bank did not provide security for this facility.From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(g) The amount of N6,964,947,777 represents an outstanding balance on the intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total has a 15 year tenor. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(h) The amount of N13,970,813,370 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(i) The amount of N110,263,802,471 (USD350,000,000) represents the borrowings of Access Bank Plc from Access Finance BV in respect of the dollar guaranteed notes issued by Access Finance B.V., Netherlands which is due on 25 July 2017. The notes were issued on 25 July 2012 for a period of 5 years with the principal amount repayable at the end of the tenor while interest on the Notes is payable semi-annually at 7.34%, in arrears on 25 January and 25 July in each year. The annual effective interest rate is 7.65%. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(j) The amount of N6,844,633,258 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(k) The amount of N865,354,161,153 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

(l) The amount of N125,460,054,679 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 September 2016.

37 Retirement benefit obligations

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Recognised liability for defined benefit obligations (see note (a) below)	6,018,296	5,567,800	6,003,931	5,567,800
Liability for defined benefit contribution	10,842	-	-	-
	6,029,137	**5,567,800**	**6,003,931**	**5,567,800**

(a) Defined benefit obligations

The amounts recognised in the statement of financial position are as follows:

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Long term incentive plan (see note (i) below)	6,029,137	5,567,800	6,003,931	5,567,800
Recognised liability	**6,029,137**	**5,567,800**	**6,003,931**	**5,567,800**

(i) Post employment benefit plan

The Bank operates a non-contributory, unfunded lump sum defined benefit long term incentive plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions. The scheme is also aimed at rewarding executive directors and other senior executives for the contributions to achieving the Bank's long-term growth objectives.
There is no funding arrangement with a trustee for the long term incentive plan as the Bank pays for all obligations from its current year profit as such obligations fall due. Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade.

The amount recognised in the statement of financial position is as follows:

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Deficit on defined benefit obligations at 1 January	5,567,800	3,267,364	5,567,800	3,267,364
Charge for the period:				
-Interest costs	-	466,121	-	466,121
-Current service cost	250,000	318,184	250,000	318,184
-Past service cost	-	-	-	-
-Benefits paid	-	-	-	-
Net actuarial loss for the period remeasured in OCI				
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	-	(415,090)	-	(415,090)
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	-	1,931,221	-	1,931,221
Balance, end of period	**5,817,800**	**5,567,800**	**5,817,800**	**5,567,800**
Expense recognised in income statement:				
Current service cost	250,000	318,184	250,000	318,184
Interest on obligation	-	466,121	-	466,121
Total expense recognised in profit and loss (see Note 14)	**250,000**	**784,305**	**250,000**	**784,305**

The weighted average duration of the defined benefit obligation is 10.86years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment. The estimated contribution to the plan for the next annual reporting period is: N1.2Bn

30 September 2016

In thousands of Naira	Impact on defined benefit obligation: Decrease in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Increase in liability by 7.7%	5,996,911	(7,020)
Effect of changes in assumption to the salary growth	Decrease in liability by 6.75%	5,194,354	(809,577)
Effect of changes in assumption to the mortality rate	Decrease in liability by 6.75%	5,566,289	(437,642)

	Impact on defined benefit obligation: Increase in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate		5,180,880	(823,051)
Effect of changes in assumption to the salary growth	Increase in the liability by 7.3%	5,975,830	(28,101)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.03%	5,569,471	(434,460)

31 December 2015

In thousands of Naira	Impact on defined benefit obligation **Decrease in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 7.7%	5,996,911	429,111
Effect of changes in assumption to the salary growth	Decrease in liability by 6.75%	5,194,354	(373,446)
Effect of changes in assumption to the mortality rate	Decrease in liability by 6.75%	5,566,289	(1,511)

	Impact on defined benefit obligation **Increase in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate		5,180,880	(386,920)
Effect of changes in assumption to the salary growth	Increase in the liability by 7.3%	5,975,830	408,030
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.03%	5,569,471	1,671

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Actuarial assumptions:
Principal actuarial assumptions at the reporting date (expressed as weighted averages):
The most recent valuation was performed by Alexander Forbes as at 31 December 2015.

	September 2016	December 2015
Discount rate	11.40%	11.40%
Future salary increases	10.00%	10.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	3.40%	3.40%
Withdrawal rate: 16 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 55 (average rate)	3.50%	3.50%

Assumptions regarding future mortality before retirement are based on A49/52 ultimate table published by the Institute of Actuaries of United Kingdom. The rate used to discount post employment benefit obligations has been determined by reference to the yield on Nigerian Government bonds of medium duration. This converts into an effective yield of 11.4% as at 30 September 2016. For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

38 Capital and reserves

A Share capital

In thousands of Naira	Bank September 2016	Bank December 2015
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each	19,000,000	19,000,000
(2015: 38,000,000,000 ordinary share of 50k each)		
Preference shares:		
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
	20,000,000	20,000,000

In thousands of Naira	Bank September 2016	Bank December 2015
(b) Issued and fully paid-up :		
28,927,971,631 Ordinary shares of 50k each	14,463,986	14,463,986

Ordinary shareholding:
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Bank. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Bank.

Preference shareholding:
Preference shares do not carry the right to vote. Preference shareholders have priority over ordinary shareholders with regard to the residual assets of the Bank and participate only to the extent of the face value of the shares plus any accrued dividends. No preference shares were in issue as at the end of the reporting period.

The movement on the issued and fully paid-up share capital account during the period was as follows:

In thousands of Naira	Bank September 2016	Bank December 2015
Balance, beginning of year	14,463,986	11,441,460
Additions through issuance of rights	-	3,022,526
Balance, end of period	14,463,986	14,463,986

(c) The movement on the number of shares in issue during the year was as follows:

In thousands of units	Group September 2016	Group December 2015
Balance, beginning of year	28,927,972	22,882,919
Additions through issuance of rights	-	6,045,053
Balance, end of period	28,927,972	28,927,972

B Share premium
Share premium is the excess paid by shareholders over the nominal value for their shares.

In thousands of Naira	Group September 2016	Group December 2015
Balance, beginning of year	197,974,816	161,036,211
Additions through issuance of rights	-	36,938,605
Balance, end of period	197,974,816	197,974,816

C Reserves

(i) Other Reserves
Other regulatory reserves

Statutory reserves
Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

SMEEIS Reserves
The small and medium enterprises equity investment scheme (SMEEIS) reserve is maintained to comply with the Central Bank of Nigeria (CBN)/ Banker's committee's requirement that all licensed deposit money banks in Nigeria set aside a portion of the profit after tax in a fund to be sued to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by a CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contribution shall thereafter reducte to 5% of profit after tax

However, this is no longer mandatory. Therefore, no additional appropriation has been done during the period.

The small and medium scale industries equity investment scheme reserves are non-distributable.

(ii) Share scheme reserve
This represents the total expenses incurred in providing the Bank's shares to its qualifying staff members under the RSPP scheme.

(iii) Treasury shares
This represents the shares held by the new RSPP scheme which have not yet been allocated to staff based on the pre-determined vesting conditions.

(iv) Capital reserve
This balance represents the surplus nominal value of the reconstructed shares of the Bank which was transferred from the share capital account to the capital reserve account after the share capital reconstruction in October 2006. The Shareholders approved the reconstruction of 13,956,321,723 ordinary shares of 50 kobo each of the Bank in issue to 6,978,160,860 ordinary shares of 50 kobo each by the creation of 1 ordinary shares previously held.

(v) Fair value reserve
The fair value reserve comprises the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

(vi) Foreign currency translation reserve
This balance appears only in the Group accounts and represents the foreign currency exchange difference arising from translating the results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency.

(vii) Regulatory risk reserve
The regulatory risk reserves warehouses the difference between the allowance for impairment losses on balance on loans and advances based on Central Bank of Nigeria prudential guidelines and Central Bank of the foreign subsidiaries regulations, compared with the loss incurred model used in calculating the impairment under IFRSs.

(viii) Retained earnings
Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

D Non-controlling interest
This represents the Non-controlling interest's (NCI) portion of the net assets of the Group

In thousands of Naira	Group September 2016	Group December 2015
Access Bank, Gambia	1,123,486	735,523
Access Bank, Sierra Leone	52,802	42,848
Access Bank Zambia	277,580	156,847
Access Bank, Rwanda	1,021,785	617,765
Access Bank, Congo	1,396,020	868,669
Access Bank, Ghana	2,312,444	1,478,315
	6,184,117	**3,899,966**

This represents the NCI share of profit/(loss) for the year

In thousands of Naira	Group September 2016	Group September 2015
Access Bank, Gambia	634,845	119,737
Access Bank, Sierra Leone	11,783	1,867
Access Bank Zambia	1,312	224
Access Bank, Rwanda	164,736	22,858
Access Bank, Congo	249,635	32,587
Access Bank, Ghana	1,221,840	177,208
	2,284,151	**354,481**

	Group September 2016	Group December 2015
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	36.0	36.0
Access Bank, Sierra Leone	3.0	3.0
Access Bank Zambia	8.0	8.0
Access Bank, Rwanda	25.0	25.0
Access Bank Congo	26.0	26.0
Access Bank, Ghana	8.0	8.0

39 Contingencies

Claims and litigation

The Group is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. A provision of N614Mn has been made as at 30 September 2016. In the normal course of business, the group is a party to financial instruments with off-balance sheet risks. These instruments are issued to meet the credit and other financial requirements of customers.

Contingent liability and commitments

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

Nature of instruments

An acceptance is undertaken by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Group in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related custom and performance bonds and are generally short term commitments to third parties which are not directly dependent on the customer's credit worthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The table below summarises the fair value amount of contingent liabilities and commitments off-financial position risk:
Acceptances, bonds, guarantees and other obligations for the account of customers:

a. These comprise:

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Contingent liabilities:				
Transaction related bonds and guarantees	285,563,613	221,127,530	148,313,910	218,067,025
Guaranteed facilities	108,417,200	94,135,927	96,248,893	91,640,933
Commitments:				
Clean line facilities for letters of credit and other commitments	976,941,666	657,586,492	892,161,507	600,895,192
	1,370,922,479	**972,849,949**	**1,136,724,310**	**910,603,150**

The Bank granted clean line facilities for letters of credit during the year to guarantee the performance of customers to third parties.
Contractual capital commitments undertaken by the Bank during the period amounted to N2.84Bn (31 Dec 2015: N330.9Mn)

40 Cash and cash equivalent

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

In thousands of Naira	Group September 2016	Group December 2015	Bank September 2016	Bank December 2015
Cash on hand and balances with banks	68,695,355	80,060,004	40,429,553	52,307,364
Unrestricted balances with central banks	35,933,180	90,721,388	11,477,461	74,158,434
Money market placements	124,895,071	52,433,982	33,699,511	26,111,216
Investment under management	11,403,713	10,403,608	11,403,713	10,403,608
Treasury bills with original maturity of 90days	9,467,985	425,129	9,467,985	425,129
	250,395,304	**234,044,110**	**106,478,224**	**163,405,750**

Cash and cash equivalent for the purpose of the preparation of the statement of cash flows excludes cash collaterals held for letters of credit and the mandatory cash deposit held with the Central Bank of Nigeria.

45 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.
b. Full compliance with the relevant CBN policies on insider-related lending.
c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.
d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.
e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.
f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a period of more than 12months."

The Bank's gross exposure to all its directors as at 30 September 2016 is N3.029Bn. However, the relevant obligors under this category also have credit balances and deposits maintained in their bank accounts which mitigate the risks to the bank.

Other financial Information
Five-year Financial Summary

IFRS

Group	September 2016	December 2015	December 2014	December 2013	December 2012
	9 months	12 months	12 months	12 months	12 months
In thousands of Naira	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	603,594,853	478,409,336	405,014,793	439,459,541	405,292,241
Investment under management	11,403,713	10,403,608	-	-	-
Non pledged trading assets	58,289,834	52,298,422	28,411,644	3,877,969	27,906,803
Pledged assets	328,094,618	203,715,397	87,072,147	63,409,851	60,949,856
Derivative financial instruments	201,250,877	77,905,020	24,866,681	102,123	30,949
Loans and advances to banks	36,200,579	42,733,910	12,435,659	24,579,875	4,564,943
Loans and advances to customers	1,800,939,016	1,365,830,831	1,110,464,441	786,169,703	604,073,399
Trading properties	-	-	-	-	2,693,227
Investment securities	144,270,825	186,223,126	270,211,388	353,811,348	447,281,811
Insurance receivables	-	-	-	-	627,337
Other assets	115,504,345	83,014,503	56,310,620	52,019,723	67,935,352
Investment properties	-	-	-	23,974,789	14,360,567
Investments in equity accounted investee	-	-	-	3,623,326	2,774,647
Investment in subsidiary	-	-	-	-	-
Property and equipment	83,104,117	73,329,927	69,659,707	67,243,305	64,634,438
Intangible assets	6,131,404	6,440,616	5,592,991	3,659,072	3,404,945
Deferred tax assets	686,575	10,845,612	10,881,984	10,687,635	8,113,973
Assets classified as held for sale	140,727	179,843	23,438,484	2,847,740	30,827,257
Total assets	3,389,611,481	2,591,330,151	2,104,360,539	1,835,466,000	1,745,471,745
Liabilities					
Deposits from financial institutions	172,374,426	72,914,421	119,045,423	72,147,956	96,893,015
Deposits from customers	2,098,560,795	1,683,244,320	1,454,419,052	1,331,418,659	1,201,481,996
Derivative financial instruments	30,437,537	3,077,927	1,989,662	32,955	35,515
Claims payable			-	-	118,226
Current tax liabilities	3,051,971	7,780,824	8,180,969	6,899,558	8,937,964
Other liabilities	96,470,235	69,355,947	21,689,079	56,847,216	58,418,260
Deferred tax liabilities	530,418	266,644	59,038	37,861	-
Liabilities on investment contracts	-	-	-	-	65,591
Liabilities on insurance contracts	-	-	-	-	3,351,234
Debt securities issued	239,702,036	149,853,640	138,481,179	55,828,248	54,685,891
Interest-bearing borrowings	299,619,293	231,467,161	79,816,309	64,338,982	48,369,849
Retirement benefit obligations	6,029,137	5,567,800	3,269,100	1,933,021	2,487,589
Contingent settlement provisions	-	-	-	-	3,548,250
Liabilities classified as held for sale	-	-	-	1,499,495	25,793,512
Total liabilities	2,946,775,849	2,223,528,684	1,826,949,811	1,590,983,951	1,504,186,892
Equity					
Share capital and share premium	212,438,802	212,438,802	172,477,671	172,477,671	176,628,255
Retained earnings	80,784,033	51,730,369	34,139,453	22,232,374	17,856,630
Other components of equity	143,428,680	99,732,330	67,262,761	48,003,894	38,700,374
Non controlling interest	6,184,117	3,899,966	3,530,843	1,768,110	8,099,594
Total equity	442,835,632	367,801,467	277,410,728	244,482,049	241,284,853
Total liabiities and Equity	3,389,611,481	2,591,330,151	2,104,360,539	1,835,466,000	1,745,471,745
Gross earnings	274,467,982	337,404,230	245,217,569	206,891,219	197,081,930
Profit before income tax	72,003,989	75,038,117	52,022,290	44,996,410	46,534,979
Profit from continuing operations	57,095,441	65,868,773	558,321	36,101,830	44,839,636
Discontinued operations	-	-	(87,267)	265,760	
Profit for the period	57,095,441	65,868,773	36,367,590	39,328,275	15,378,322
Non controlling interest	535,488	536,233	560,883	195,762	(191,904)
Profit attributable to equity holders	56,559,953	65,332,540	35,806,707	39,520,179	14,499,229
Dividend paid	15,910,384	15,910,384	13,729,777	13,729,777	12,588,538
Earning or (loss) per share -Basic	198k	265k	189k	159k	172k
- Adjusted	196k	262k	189k	159k	172k
Number of ordinary shares of 50k	28,927,972	28,927,972	22,882,919	22,882,919	22,882,919

Other financial Information
Five-year Financial Summary

	IFRS				
	September 2016	**December 2015**	**December 2014**	**December 2013**	**December 2012**
Bank					
	9 months	**12 months**	**12 months**	**12 months**	**12 months**
In thousands of Naira	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets					
Cash and balances with banks	381,691,333	405,998,636	351,174,879	395,808,747	284,062,159
Investment under management	11,403,713	10,403,608			
Non pledged trading assets	58,289,834	52,298,422	28,411,644	3,877,969	3,769,260
Pledged assets	328,094,618	200,464,624	85,183,353	63,347,823	60,949,856
Derivative financial instruments	201,222,881	77,852,349	24,831,145	72,675	-
Loans and advances to banks	94,333,107	60,414,721	55,776,837	13,048,651	3,054,520
Loans and advances to customers	1,594,147,741	1,243,215,310	1,019,908,848	735,300,741	554,592,199
Trading properties	-	-	-	-	-
Investment securities	84,392,716	155,994,798	226,137,983	309,071,802	420,346,295
Insurance receivables	-	-	-	-	-
Other assets	100,247,353	78,623,381	48,246,307	44,326,360	61,431,658
Investment properties	-	-	-	23,974,789	14,072,673
Investments in equity accounted investee	-	-	-	1,521,812	1,980,808
Investment in subsidiary	57,227,381	45,439,246	40,120,572	38,029,992	43,209,688
Property and equipment	70,362,048	65,900,384	64,160,327	63,203,245	58,938,450
Intangible assets	4,941,663	4,977,907	4,436,814	2,661,553	2,339,510
Deferred tax assets	79,855	10,180,832	10,128,537	9,847,853	7,007,387
Assets classified as held for sale	140,727	179,843	23,438,484	-	-
Total assets	2,986,574,971	2,411,944,061	1,981,955,730	1,704,094,012	1,515,754,462
Liabilities					
Deposits from banks	115,178,077	63,343,785	134,509,662	61,295,352	16,312,516
Deposits from customers	1,803,965,730	1,528,213,883	1,324,800,611	1,217,176,793	1,093,979,220
Derivative financial instruments	28,703,485	2,416,378	1,737,791	-	-
Debt securities issued	126,077,659	78,516,655	73,155,391	-	-
Current tax liabilities	2,999,752	6,442,311	7,113,226	6,075,590	7,686,568
Other liabilities	88,318,439	64,094,358	16,870,132	52,092,559	50,246,164
Retirement benefit obligations	6,003,931	5,567,800	3,267,364	-	2,485,093
Interest-bearing borrowings	408,969,077	302,919,987	146,345,767	120,342,026	103,872,441
Contingent settlement provisions	-	-	-	1,929,695	3,548,250
Total liabilities	2,580,216,148	2,051,515,157	1,707,799,944	1,458,912,014	1,278,130,251
Equity					
Share capital and share premium	212,438,802	212,438,802	172,477,671	172,477,671	176,628,255
Retained earnings	77,939,669	49,459,102	36,499,779	23,095,392	18,880,711
Other components of equity	115,980,351	98,531,000	65,178,336	49,608,934	42,115,245
Total equity	406,358,822	360,428,904	274,155,786	245,181,998	237,624,211
Total liabilities and Equity	2,986,574,971	2,411,944,061	1,981,955,730	1,704,094,012	1,515,754,462
Gross earnings	237,872,167	302,061,975	221,610,769	180,230,976	172,719,708
Profit before income tax	72,003,989	75,038,117	12,087,569	31,365,396	36,259,530
Profit for the period	57,095,441	65,868,773	5,886,273	26,211,844	35,815,611
Dividend paid	15,910,384	15,241,014	13,729,777	13,729,777	12,588,538
Earning or (loss) per share -Basic	172k	237k	174k	114k	157k
- Adjusted	172k	237k	174k	114k	157k
Number of ordinary shares of 50k	28,927,972	28,927,972	22,882,919	22,882,919	22,882,919