

Access Bank Plc

**Consolidated and separate financial statements for the year
ended
31 December 2015**

ACCESS BANK PLC
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For the year ended 31 December 2015

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Access Bank Plc

Consolidated financial statements For the year ended 31 December 2015

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
Gbenga Oyeboode, MFR**	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
Mahmoud Isa-Dutse***	Non-Executive Director
Ajoritsedere Josephine Awosika	Independent Non-Executive Director
Victor Okenyenbunor Etuokwu	Executive Director
Roosevelt Michael Ogbonna	Executive Director
Ojinika Nkechinyelu Olaghare	Executive Director
Elias Igbinakenzua	Executive Director
Titi Osuntoki	Executive Director

* Appointed Chairman July 29, 2015

** Retired effective July 30, 2015

*** Resigned effective November 16, 2015

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/2012/000000000271

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 31 December 2015

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 Revised Guidelines for Discount Houses
- 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.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Herbert Wigwe
Group Managing Director
28 January 2016

Victor Etuokwu
Executive Director
28 January 2016

Access Bank Plc

**Consolidated financial statements
For the year ended 31 December 2015**

Report of the statutory audit committee

To the members of Access Bank Plc:

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the annual financial statements for the period ended 31 December 2015 as follows:

We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the period ended 31 December 2015 were satisfactory and reinforce the Group's internal control systems.

We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of N2,319,798,428 (December 2014: N3,251,770,013) was outstanding as at 31 December 2015 which was performing as at 31 December 2015 (see note 44)

We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in the course of their interim audit and we are satisfied with management's responses thereon and with the effectiveness of the Bank's system of accounting and internal control.

Mr Oluwatoyin Eleoramo
Chairman, Audit Committee
January 2016

Members of the Audit Committee are:

1	Mr Oluwatoyin Eleoramo	Shareholder	Chairman
2	Mr. Henry Omatshola Aragho	Shareholder	Member
3	Mr Idaere Gogo Ogan	Shareholder	Member
4	Mr Oritsedere Otubu	Director	Member
5	Dr. Ernest Ndukwe	Director	Member
6	Mrs. Mosun Belo-Olusoga	Director	Member

In attendance:

Sunday Ekwochi – Secretary

**Consolidated financial statements
for the year ended 31 December 2015**
Statement of comprehensive income
In thousands of Naira

	Notes	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>Continuing operations</i>					
Interest income	8	207,802,768	176,918,223	184,047,834	159,578,184
Interest expense	8	(102,421,118)	(76,901,080)	(94,001,878)	(70,911,063)
Net interest income		105,381,650	100,017,143	90,045,956	88,667,121
Net impairment charge	9	(14,224,715)	(11,652,271)	(13,287,613)	(10,609,300)
Net interest income after impairment charges		91,156,935	88,364,872	76,758,343	78,057,821
Fee and commission income	10	33,463,887	30,796,798	25,892,284	23,044,946
Fee and commission expense		(151,118)	(36,763)	-	-
Net fee and commission income		33,312,769	30,760,035	25,892,284	23,044,946
Net gains on investment securities	11a,b	62,738,014	23,406,363	62,699,600	23,287,274
Net foreign exchange income/(loss)	12	26,501,682	563,922	23,205,265	(3,398,120)
Other operating income	13	6,897,879	12,948,230	6,216,992	12,698,034
Fair value gain on asset held for sale	33	-	750,000	-	750,000
Personnel expenses	14	(42,346,952)	(31,293,540)	(35,699,471)	(25,611,051)
Prepaid rent expenses		(1,739,857)	(1,541,417)	(1,405,716)	(1,344,883)
Depreciation	28	(8,615,137)	(7,922,841)	(7,762,291)	(7,118,932)
Amortization	29	(1,483,193)	(1,315,332)	(1,324,075)	(1,218,710)
Other operating expenses	15	(91,384,023)	(62,698,002)	(83,403,018)	(55,422,255)
Gain on disposal of associate and subsidiaries	16a,b	-	-	-	2,418,298
Profit before tax		75,038,117	52,022,290	65,177,914	46,142,422
Income tax	17	(9,169,344)	(8,958,811)	(6,253,169)	(6,201,296)
Profit from continuing operations		65,868,773	43,063,479	58,924,745	39,941,126
<i>Discontinued operations</i>					
Loss from discontinued operations	16a,b	-	(87,267)	-	-
Profit for the year		65,868,773	42,976,212	58,924,745	39,941,126
Other comprehensive income (OCI) net of income tax : <i>items that will not be subsequently reclassified to income statement:</i>					
Remeasurements of post-employment benefit obligations		(1,061,292)	(991,475)	(1,061,292)	(991,475)
<i>Items that may be subsequently reclassified to the income statement:</i>					
Foreign currency translation differences for foreign subsidiaries					
- Unrealised (losses)/gains during the year		(1,987,684)	1,409,686	-	-
- Realised gains during the year		-	97,187	-	-
Net changes in fair value of AFS financial instruments					
-Fair value changes during the year		3,387,680	3,604,150	3,457,636	3,571,278
Fair value changes on AFS financial instruments from associates		-	21,492	-	-
Other comprehensive gain, net of related tax effects:		338,704	4,141,040	2,396,344	2,579,803
Total comprehensive income for the year		66,207,477	47,117,252	61,321,089	42,520,929
Profit attributable to:					
Owners of the bank		65,332,540	42,415,329	58,924,745	39,941,126
Non-controlling interest		536,233	560,883	-	-
Profit for the year		65,868,773	42,976,212	58,924,745	39,941,126
Total comprehensive income attributable to:					
Owners of the bank		65,798,664	46,152,431	61,321,089	42,520,929
Non-controlling interest		408,813	964,821	-	-
Total comprehensive income for the year		66,207,477	47,117,252	61,321,089	42,520,929
Total comprehensive income for the period attributable to parent:					
Continuing operations		65,798,664	46,239,698	61,321,089	42,520,929
Discontinued operations		-	(87,267)	-	-
		65,798,664	46,152,431	61,321,089	42,520,929
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	18	265	186	237	175
Diluted (kobo)		262	185	237	175
Continuing operations					
Basic (kobo)	18	265	186	237	175
Diluted (kobo)		262	185	237	175

Access Bank Plc

Consolidated financial statements
For the year ended 31 December 2015

Statement of financial position
As at 31 December 2015

<i>In thousands of Naira</i>	<i>Notes</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Assets					
Cash and balances with banks	19a	478,409,336	405,014,793	405,998,636	351,174,879
Investment under management	19b	10,403,608	-	10,403,608	-
Non pledged trading assets	20	52,298,422	28,411,644	52,298,422	28,411,644
Derivative financial assets	21	77,905,020	24,866,681	77,852,349	24,831,145
Loans and advances to banks	22	42,733,910	12,435,659	60,414,721	55,776,837
Loans and advances to customers	23	1,365,830,831	1,110,464,441	1,243,215,309	1,019,908,848
Pledged assets	24	203,715,397	87,072,147	200,464,624	85,183,353
Investment securities	25	186,223,126	270,211,388	155,994,798	226,137,983
Other assets	26	83,014,503	56,310,620	78,623,381	48,246,307
Investment in subsidiaries	27b	-	-	45,439,246	40,120,572
Property and equipment	28	73,329,927	69,659,707	65,900,384	64,160,327
Intangible assets	29	6,440,616	5,592,991	4,977,908	4,436,814
Deferred tax assets	30	10,845,612	10,881,984	10,180,832	10,128,537
		2,591,150,308	2,080,922,055	2,411,764,218	1,958,517,246
Asset classified as held for sale	31	179,843	23,438,484	179,843	23,438,484
Total assets		2,591,330,151	2,104,360,539	2,411,944,061	1,981,955,730
Liabilities					
Deposits from financial institutions	32	72,914,421	119,045,423	63,343,785	134,509,662
Deposits from customers	33	1,683,244,320	1,454,419,052	1,528,213,883	1,324,800,611
Derivative financial liabilities	21	3,077,927	(1,989,662)	2,416,378	1,737,791
Current tax liabilities	17	7,780,824	8,180,969	6,442,311	7,113,226
Other liabilities	34	69,355,947	21,689,079	64,094,358	16,870,132
Deferred tax liabilities	30	266,644	59,038	-	-
Debt securities issued	35	149,853,640	138,481,179	78,516,655	73,155,391
Interest-bearing borrowings	36	231,467,161	79,816,309	302,919,987	146,345,767
Retirement benefit obligations	37	5,567,800	3,269,100	5,567,800	3,267,364
		2,223,528,684	1,822,970,487	2,051,515,157	1,707,799,944
Total liabilities		2,223,528,684	1,822,970,487	2,051,515,157	1,707,799,944
Equity					
Share capital and share premium	38	212,438,802	172,477,671	212,438,802	172,477,671
Retained earnings		51,730,369	34,139,453	49,459,102	36,499,779
Other components of equity		99,732,330	67,262,761	98,531,000	65,178,336
Total equity attributable to owners of the Bank		363,901,501	273,879,885	360,428,904	274,155,786
Non controlling interest	38	3,899,966	3,530,843	-	-
Total equity		367,801,467	277,410,728	360,428,904	274,155,786
Total liabilities and equity		2,591,330,151	2,100,381,215	2,411,944,061	1,981,955,730

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

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

Executive Director
FRC/2014/CIBN/00000006249

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

Access Bank Plc

Consolidated financial statements
For the year ended 31 December 2015

Consolidated statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank										Non Controlling interest	Total Equity	
	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
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	-	-	-	-	-	-	-	-	-	65,332,540	65,332,540	536,233	65,868,773
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	(1,860,071)	-	(1,860,071)	(1,860,071)	(127,613)	(1,987,684)
Actuarial loss on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	(1,061,292)	(1,061,292)	(1,061,292)	-	(1,061,292)
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	3,387,487	-	-	3,387,487	3,387,487	193	3,387,680
Total other comprehensive (loss)/income	-	-	-	-	-	-	3,387,487	(1,860,071)	(1,061,292)	466,124	(127,420)	338,704	338,704
Total comprehensive (loss)/income	-	-	-	-	-	-	3,387,487	(1,860,071)	64,271,248	65,798,664	408,813	66,207,477	66,207,477
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	18,420,011	13,019,307	-	-	-	-	-	(31,439,318)	-	-	-
Additional shares	-	-	-	-	-	(1,061,058)	-	-	-	(1,061,058)	-	-	(1,061,058)
Share scheme expense for the period	-	-	-	-	563,893	-	-	-	-	563,893	-	-	563,893
Vested Shares	-	-	-	-	(304,414)	304,414	-	-	-	-	-	-	-
Proceed from right issue	3,022,526	36,938,605	-	-	-	-	-	-	-	-	39,961,131	-	39,961,131
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(15,241,014)	(15,241,014)	(39,690)	(15,280,704)
Total contributions by and distributions to equity holders	3,022,526	36,938,605	18,420,011	13,019,307	259,479	(756,644)	-	-	-	(46,680,332)	24,222,952	(39,690)	24,183,262
Balance at 31 December 2015	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

Consolidated statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank										Non Controlling interest	Total Equity	
	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
Balance at 1 January 2014	11,441,460	161,036,211	13,074,748	30,365,409	112,783	(460,580)	3,489,080	6,237,939	(4,815,485)	22,232,374	242,713,939	1,768,110	244,482,049
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	42,415,329	42,415,329	560,883	42,976,212
Other comprehensive income, net of tax													
Realised foreign currency translation difference	-	-	-	-	-	-	-	1,007,650	-	1,007,650	402,036	-	1,409,686
Actuarial loss on remeasurement of retirement benefit	-	-	-	-	-	-	-	97,187	-	97,187	-	-	97,187
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	-	-	(991,475)	(991,475)	-	-	(991,475)
Fair value changes on AFS financial instruments from associates	-	-	-	-	-	-	3,602,248	-	-	3,602,248	1,902	-	3,604,150
Cancelled fair value reserve from associates	-	-	-	-	-	-	21,492	-	-	21,492	-	-	21,492
	-	-	-	-	-	-	19,723	-	-	(19,723)	-	-	-
Total other comprehensive (loss)/income	-	-	-	-	-	-	3,643,463	1,104,837	(1,011,198)	3,737,102	403,938	4,141,040	4,141,040
Total comprehensive (loss)/income	-	-	-	-	-	-	3,643,463	1,104,837	41,404,131	46,152,431	964,821	47,117,252	47,117,252
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	8,130,283	6,740,957	-	-	-	-	-	(14,871,240)	-	-	-
Scheme shares	-	-	-	-	182,636	(515,547)	-	-	-	-	(332,911)	-	(332,911)
Deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(945,792)	(945,792)	945,792	-
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(103,735)	(103,735)
Transfer from disposed subsidiaries	-	-	-	(27,762)	-	-	-	-	-	27,762	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(13,707,782)	(13,707,782)	(44,145)	(13,751,927)
Total contributions by and distributions to equity holders	-	-	8,130,283	6,713,195	182,636	(515,547)	-	-	-	(29,497,052)	(14,986,485)	797,912	(14,188,573)
Balance at 31 December 2014	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

Access Bank Plc

Consolidated financial statements
For the year ended 31 December 2015

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	-	-	-	-	-	-	-	58,924,745	58,924,745
Other comprehensive income, net of tax									
Actuarial loss on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	(1,061,292)	(1,061,292)
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	3,457,636	-	3,457,636
Total other comprehensive (loss)								(1,061,292)	2,396,344
Total comprehensive (loss)/income								57,863,453	61,321,089
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	20,824,401	8,838,715	-	-	-	(29,663,116)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(15,241,014)	(15,241,014)
Proceed from right issue	3,022,526	36,938,605	-	-	-	-	-	-	39,961,131
Share scheme expense for the period	-	-	-	-	536,326	-	-	-	536,326
Vested Shares	-	-	-	-	(304,414)	-	-	-	(304,414)
Total contributions by and distributions to equity holders	3,022,526	36,938,605	20,824,401	8,838,715	231,912	-	-	(44,904,130)	24,952,029
Balance at 31 December 2015	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

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 2014	11,441,460	161,036,211	11,177,662	28,567,268	112,783	3,489,081	6,262,140	23,095,393	245,181,998
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	39,941,126	39,941,126
Other comprehensive income, net of tax									
Actuarial loss on remeasurement of retirement benefit	-	-	-	-	-	-	-	(991,475)	(991,475)
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	3,571,278	-	3,571,278
Total other comprehensive (loss)								(991,475)	2,579,803
Total comprehensive (loss)/income								38,949,651	42,520,929
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	5,824,319	5,991,169	-	-	-	(11,815,488)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(13,729,777)	(13,729,777)
Scheme shares	-	-	-	-	182,636	-	-	-	182,636
Total contributions by and distributions to equity holders	-	-	5,824,319	5,991,169	182,636	-	-	(25,545,265)	(13,547,141)
Balance at 31 December 2014	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

Consolidated financial statements
For the year ended 31 December 2015

Consolidated statement of cash flows

<i>In thousands of Naira</i>	Group	Group	Bank	Bank
	December 2015	December 2014	December 2015	December 2014
Cash flows from operating activities				
Profit before income tax and discontinued operations	75,038,117	51,935,023	65,177,914	46,142,422
Adjustments for:				
Depreciation of property and equipment	8,615,137	7,922,841	7,762,291	7,118,930
Amortization of intangible assets	1,483,193	1,315,332	1,324,075	1,218,710
Gain on disposal of property and equipment	(151,937)	(905,884)	(138,975)	(874,372)
Gain on disposal of investment properties	-	(263,694)	-	(263,694)
Loss/(Gain) on disposal of investment securities	2,014,413	497,818	2,014,249	378,729
Fair value Loss/(gain) on assets held for sale	741,360	(750,000)	741,357	(750,000)
Impairment/(writeback) on financial assets	14,224,715	11,652,271	13,287,613	10,609,300
Additional gratuity provision	784,305	421,276	784,305	421,275
Loss on disposal of subsidiaries	-	486,827	-	104,266
Equity share-based payment expense	536,326	182,636	536,327	182,636
Property and equipment written off	571,196	7,688	58,394	7,688
Share of profit of equity accounted investee	-	(485,576)	-	-
Net interest income	(94,381,272)	(100,017,143)	(90,045,956)	(88,667,120)
Unrealised foreign exchange loss on revaluation	4,679,257	17,243,781	16,040,232	12,001,637
Loss/(Profit) on disposal of investment in associate	-	86,018	-	(2,522,564)
Dividend income	(3,734,392)	(3,382,399)	(4,190,824)	(3,861,439)
	<u>10,420,418</u>	<u>(14,053,185)</u>	<u>13,351,002</u>	<u>(18,753,596)</u>
Changes in operating assets				
Change in non-pledged trading assets	(23,886,778)	(26,743,758)	(23,886,778)	(24,483,557)
Change in derivative financial instruments	(51,949,881)	(22,807,851)	(53,486,956)	(23,020,679)
Change in pledged assets	(116,643,250)	(23,662,296)	(115,281,271)	(21,835,530)
Change in restricted deposits	7,427,992	(79,938,705)	7,211,760	(78,411,893)
Change in loans and advances to banks and customers	(279,812,242)	(323,558,429)	(224,681,237)	(334,057,356)
Change in other assets	(14,804,293)	2,142,138	(15,255,636)	1,194,274
Changes in operating liabilities				
Change in deposits from banks	(41,152,364)	46,634,809	(71,650,088)	73,313,314
Change in deposits from customers	297,556,876	116,304,944	201,866,013	105,717,069
Change in other liabilities	55,607,305	(35,396,285)	47,224,229	(35,171,613)
Payment to gratuity benefit holders	-	(500,000)	-	(500,000)
Interest paid on deposits and borrowings	(162,225,080)	(61,159,165)	(76,485,997)	(60,328,145)
Interest received on loans and advances	148,061,291	150,514,646	133,954,047	130,150,849
	<u>(171,400,006)</u>	<u>(272,223,137)</u>	<u>(177,120,912)</u>	<u>(286,186,863)</u>
Income tax paid	(6,259,617)	(7,187,506)	(4,125,701)	(5,070,241)
Net cash used in operating activities	<u>(177,659,623)</u>	<u>(279,410,643)</u>	<u>(181,246,613)</u>	<u>(291,257,104)</u>
Cash flows from investing activities				
Acquisition of investment securities	(587,338,468)	(294,682,509)	(572,059,332)	(250,387,738)
Interest received on investment securities	76,711,827	15,004,844	35,576,603	11,931,402
Dividend received	3,734,392	3,382,399	4,190,824	3,861,439
Acquisition of property and equipment	(13,895,033)	(13,595,552)	(10,592,121)	(11,311,805)
Proceeds from the sale of property and equipment	1,194,234	4,154,505	1,170,354	4,102,477
Acquisition of intangible assets	(2,146,643)	(3,358,695)	(1,865,169)	(2,993,971)
Proceeds from matured investment securities	194,615,199	195,086,682	177,242,122	179,324,629
Proceeds from sale of subsidiary and associates	-	543,340	-	543,340
Additional investment in subsidiary of subsidiaries	-	-	(4,572,450)	(2,455,500)
Proceeds from sale of investment securities	435,616,351	200,774,291	459,439,815	171,835,186
Cash lost on loss of control of subsidiaries	-	(956,473)	-	-
Net cash generated from investing activities	<u>108,491,858</u>	<u>106,352,832</u>	<u>88,530,645</u>	<u>104,449,459</u>
Cash flows from financing activities				
Interest paid on borrowings and debt securities issued	(20,522,742)	(12,892,950)	(14,930,520)	(8,572,781)
Proceeds from interest bearing borrowings	163,229,774	29,035,545	162,647,155	29,035,545
Repayment of interest bearing borrowings	(15,331,150)	(17,191,939)	(15,331,150)	(16,967,222)
Proceeds from right issues	39,961,131	-	39,961,131	-
Purchase of own shares	(1,033,491)	(515,547)	(1,033,491)	(515,547)
Dividends paid to owners	(15,280,704)	(13,751,927)	(15,241,014)	(13,729,777)
Debt securities issued	-	73,083,823	-	73,083,823
Net cash provided by/(used in) financing activities	<u>151,022,818</u>	<u>57,767,005</u>	<u>156,072,111</u>	<u>62,334,041</u>
Net (decrease)/increase in cash and cash equivalents	<u>81,855,052</u>	<u>(115,290,806)</u>	<u>63,356,144</u>	<u>(124,473,604)</u>
Cash and cash equivalents at end of year	234,044,111	152,748,398	163,405,749	100,897,056
Cash and cash equivalents at beginning of year	152,748,398	266,756,741	100,897,058	223,567,707
Effect of exchange rate fluctuations on cash held	(59,339)	1,282,463	(847,452)	1,802,953
Net (decrease)/increase in cash and cash equivalents	<u>81,855,052</u>	<u>(115,290,806)</u>	<u>63,356,144</u>	<u>(124,473,604)</u>

**Notes to consolidated financial statements
For the year ended 31 December 2015**

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 year ended 31 December 2015 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 January 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 International Financial Reporting Standards (IFRSs) 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 Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 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) Amendments 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) Amendments 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.

(iii) Amendments 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 yet to assess IFRS 9's full impact.

Other IFRS that are relevant to the group include:

IFRS	Effective Date	Subject of amendment
Amendments 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.
IFRS 15, 'Revenue from contracts with customers'	Annual periods beginning on or after 1 January 2017	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.
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 considered 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, after a re-assessment to ensure correctness.

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

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.

The gain/loss arising from disposal of subsidiaries is included in the profit/loss of discontinued operations in the statement of comprehensive income.

(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 Entities (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 recognised in other comprehensive income.

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 instruments 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 derivative financial instruments) have to be recognised 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	
		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
	Loans and receivables	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	

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	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	
		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 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 losses 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.

Available for sale instruments include investment securities.

[v] Investments under management

Investment 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 accruable 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. See note 5.1.5

(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 repossessed 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 separately 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	4 years

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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 reviewed 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.

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(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 goodwill impairment testing, CGUs to which goodwill has been allocated 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 separate entity and will have no legal or constructive obligation 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 immediately 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 forfeiture, 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 calculated 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 average 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 risks assets. Assets are classified as performing or non-performing. Non performing assets are further classed as substandard, doubtful or lost with attendant provisions per the table below based on objective criteria

Classification	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 always 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.

Had there been no expected cashflows from all the significant impaired loans, there would have been an additional impairment of N21.4Bn in the financial statements relating to this. In addition, if the PDs and LGDs were increased by 2%, there would have been an additional impairment charge of N6.1Bn and if the PDs and LGDs decreased by 2%, there would have been a write back of impairment of N5.6Bn.

Statement of prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

- a) Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:
 - Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".
 - Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

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b) The non-distributable reserve should be classified under Tier 1 as part of the core capital. The Bank has complied with the requirements of the guidelines as follows:

Statement of prudential adjustments		December	December
<i>In thousands of Naira</i>		2015	2014
Bank	Note		
Loans & advances:			
Specific impairment allowances on loans to customers			
- Loans to Individuals	23(b)	250,624	-
- Loans to Corporate	23(b)	8,922,599	6,340,159
Specific impairment allowances on loans to banks	22		-
Collective impairment allowances on loans to customers			
- Loans to Individuals	23(b)	861,632	674,227
- Loans to Corporates	23(b)	16,871,228	9,991,751
Collective impairment allowances on loans to banks	22	9,086	6,341
Total impairment allowances on loans per IFRS		26,915,169	17,012,478
Total regulatory impairment based on prudential guidelines		64,741,551	34,014,459
Balance, beginning of the year		17,001,981	11,177,662
Additional transfers to regulatory risk reserve		20,824,401	5,824,319
Balance, end of the period		37,826,382	17,001,981

During the course of the year, the central bank of Nigeria (CBN) via circular BSD/DIR/GEN/LAB/08/052 dated 11 November 2015, directed banks in Nigeria to increase the general provision on performing loans from 1 percent to 2 percent for prudential review of credit portfolios in order to ensure adequate buffer against unexpected loan losses.

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	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
		<u>247,113,308</u>	<u>150,819,218</u>	-	<u>397,932,526</u>
Liabilities					
Derivative financial instrument			3,077,927	-	3,077,927
			<u>3,077,927</u>	-	<u>3,077,927</u>

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Group				
December 2014				
	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	24,546,032	-	-	24,546,032
Bonds	3,786,172	-	-	3,786,172
Equity	79,440	-	-	79,440
Derivative financial instrument	-	24,866,681	-	24,866,681
Pledged assets				
Treasury bills	4,495,403	-	-	4,495,403
Investment securities				
Available for sale				
Treasury bills	92,046,032	-	-	92,046,032
Bonds	46,931,249	818,129	-	47,749,378
Equity	11,017,140	34,070,282	-	45,087,422
Assets held for sale	-	23,438,484	-	23,438,484
	<u>182,901,468</u>	<u>83,193,576</u>	<u>-</u>	<u>266,095,044</u>
Liabilities				
Derivative financial instrument	-	(1,989,662)	-	(1,989,662)
	<u>-</u>	<u>(1,989,662)</u>	<u>-</u>	<u>(1,989,662)</u>
Bank				
December 2015				
<i>In thousands of Naira</i>				
	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
	<u>228,544,203</u>	<u>150,251,641</u>	<u>-</u>	<u>378,795,844</u>
Liabilities				
Derivative financial instrument	-	2,416,378	-	2,416,378
	<u>-</u>	<u>2,416,378</u>	<u>-</u>	<u>2,416,378</u>
Bank				
December 2014				
<i>In thousands of Naira</i>				
	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	24,546,032	-	-	24,546,032
Bonds	3,786,172	-	-	3,786,172
Equity	79,440	-	-	79,440
Pledged assets				
Treasury bills	4,495,403	-	-	4,495,403
Derivative financial instrument	-	24,831,145	-	24,831,145
Investment securities				
Available for sale				
Treasury bills	61,656,952	-	-	61,656,952
Bonds	44,725,755	818,129	-	45,543,884
Equity	11,017,140	34,035,134	-	45,052,274
Asset held for sale	-	23,438,484	-	23,438,484
	<u>150,306,894</u>	<u>83,122,892</u>	<u>-</u>	<u>233,429,786</u>
Liabilities				
Derivative financial instrument	-	1,737,791	-	1,737,791
	<u>-</u>	<u>1,737,791</u>	<u>-</u>	<u>1,737,791</u>

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

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4.1.2 Financial instruments not measured at fair value

Group

December 2015

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	478,409,336	-	478,409,336
Investment under management	918	-	-	918
Loans and advances to banks	-	43,117,434	-	43,117,434
Loans and advances to customers	-	1,364,822,146	-	1,364,822,146
Pledged assets				
Treasury bills	-	-	-	-
Bonds	58,349,639	-	-	58,349,639
Investment securities				
Held to Maturity				
Treasury bills	7,665,767	-	-	7,665,767
Bonds	58,349,638	5,559,182	-	63,908,820
Other assets	-	72,160,739	-	72,160,739
	<u>124,365,962</u>	<u>1,964,068,837</u>	-	<u>2,088,434,799</u>
Liabilities				
Deposits from financial institutions	-	72,910,858	-	72,910,858
Deposits from customers	-	1,682,766,276	-	1,682,766,276
Other liabilities	-	65,277,321	-	65,277,321
Debt securities issued	137,841,311	-	-	137,841,311
Interest-bearing borrowings	-	236,648,640	-	236,648,640
	<u>137,841,311</u>	<u>2,057,603,095</u>	-	<u>2,195,444,406</u>

Group

December 2014

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	405,014,793	-	405,014,793
Loans and advances to banks	-	12,584,887	-	12,584,887
Loans and advances to customers	-	1,068,909,228	-	1,068,909,228
Pledged assets				
Treasury bills	10,543,214	-	-	10,543,214
Bonds	43,005,034	-	-	43,005,034
Investment securities				
Held to Maturity				
Treasury bills	15,826,830	7,532,437	-	23,359,267
Bonds	18,112,104	18,027,415	-	36,139,519
Other assets	-	36,030,750	-	36,030,750
	<u>87,487,182</u>	<u>1,548,099,510</u>	-	<u>1,635,586,692</u>
Liabilities				
Deposits from financial institutions	-	115,765,391	-	115,765,391
Deposits from customers	-	1,455,710,695	-	1,455,710,695
Other liabilities	-	20,201,802	-	20,201,802
Debt securities issued	135,517,192	-	-	135,517,192
Interest-bearing borrowings	-	78,369,011	-	78,369,011
	<u>135,517,192</u>	<u>1,670,046,899</u>	-	<u>1,805,564,091</u>

Bank

December 2015

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	405,998,636	-	405,998,636
Investment under management	918	-	-	918
Loans and advances to banks	-	60,276,940	-	60,276,940
Loans and advances to customers	-	1,242,206,624	-	1,242,206,624
Pledged assets				
Treasury bills	-	-	-	-
Bonds	58,573,185	-	-	58,573,185
Investment securities				
Held to maturity				
Treasury bills	-	-	-	-
Bonds	35,949,492	2,750,701	-	38,700,193
Other Assets	-	69,509,746	-	69,509,746
	<u>94,523,595</u>	<u>1,780,742,647</u>	-	<u>1,875,266,242</u>
Liabilities				
Deposits from financial institutions	-	63,342,003	-	63,342,003
Deposits from customers	-	1,527,735,839	-	1,527,735,839
Other liabilities	-	62,871,485	-	62,871,485
Debt securities issued	69,591,973	-	-	69,591,973
Interest-bearing borrowings	68,249,338	236,066,022	-	304,315,360
	<u>137,841,311</u>	<u>1,890,015,349</u>	-	<u>2,027,856,660</u>

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Bank**December 2014***In thousands of Naira*

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	351,174,879	-	351,174,879
Loans and advances to banks	-	55,837,270	-	55,837,270
Loans and advances to customers	-	933,545,177	-	933,545,177
Pledged assets				
Treasury bills	8,660,933	-	-	8,660,933
Bonds	42,729,652	-	-	42,729,652
Investment securities				
Held to maturity				
Treasury bills	15,829,500	-	-	15,829,500
Bonds	30,667,663	18,027,415	-	48,695,078
Other Assets	-	30,513,159	-	30,513,159
	<u>97,887,748</u>	<u>1,389,097,900</u>	<u>-</u>	<u>1,486,985,648</u>
Liabilities				
Deposits from financial institutions	-	131,229,630	-	131,229,630
Deposits from customers	-	1,324,796,070	-	1,324,796,070
Other liabilities	-	15,678,189	-	15,678,189
Debt securities issued	70,949,501	-	-	70,949,501
Interest-bearing borrowings	64,567,691	78,369,011	-	142,936,702
	<u>135,517,192</u>	<u>1,550,072,900</u>	<u>-</u>	<u>1,685,590,092</u>

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 year under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics. There were no transfer between levels 1 and 2 during the year.

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(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 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. Below is a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.

Description	Fair value at 31 December 2015	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 Corporation	28,658,942	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	30,091,889	27,225,995	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in Unified Payment System	2,518,309	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	2,644,224	2,392,393	The higher the EV/EBITDA ratio of similar trading companies, the higher the fair value
Investment in CSCS	1,775,756	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	1,864,544	1,686,968	The higher the EV/EBITDA ratio of similar trading companies, the higher the fair value
Investment in Stanbic IBTC Pension managers	1,144,748	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	1,201,985	1,087,511	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in NIBSS	1,027,168	Adjusted fair value comparison approach	Weighted Price to earnings (P/E) ratio of similar comparable companies	1,078,527	975,810	The higher the P/E ratio of similar trading companies, the higher the fair value
Investment in Afrexim	2,675	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	2,808	2,541	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in FMDQ	137,746	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	144,634	130,859	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in CRC	231,437	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	243,009	219,865	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 29b 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 Financial assets and liabilities

Fair value measurement

Accounting classification measurement basis and fair values

The table below sets out the classification of each class of financial assets and liabilities, and their fair values.

Group <i>In thousands of Naira</i> 31 December 2015	Trading	Derivatives held for trading	Held-to- maturity	Loans and receivables at amortized cost	Available- for-sale	Financial Liabilities measured at amortized cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	-	478,409,336	-	-	478,409,336	478,409,336
Investment under management	-	-	918	-	10,402,690	-	10,403,608	10,406,579
Non pledged trading assets	-	-	-	-	-	-	-	-
Treasury bills	50,209,443	-	-	-	-	-	50,209,443	50,209,443
Bonds	2,025,000	-	-	-	-	-	2,025,000	2,025,000
Equity	63,979	-	-	-	-	-	63,979	63,979
Derivative financial instruments	-	77,905,020	-	-	-	-	77,905,020	77,905,020
Loans and advances to banks	-	-	-	42,733,910	-	-	42,733,910	43,117,434
Loans and advances to customers	-	-	-	1,365,830,831	-	-	1,365,830,831	1,364,822,146
Pledged assets	-	-	-	-	-	-	-	-
Treasury bills	-	-	3,250,773	-	103,684,044	-	106,934,817	106,934,817
Bonds	-	-	78,110,623	-	18,669,957	-	96,780,580	77,019,596
Investment securities	-	-	-	-	-	-	-	-
- Available for sale	-	-	-	-	-	-	-	-
Treasury bills	-	-	-	-	28,996,006	-	28,996,006	28,996,006
Bonds	-	-	-	-	61,204,214	-	61,204,214	61,204,214
Equity	-	-	-	-	44,592,330	-	44,592,330	44,592,330
- Held to Maturity	-	-	-	-	-	-	-	-
Treasury bills	-	-	7,687,281	-	-	-	7,687,281	7,665,767
Bonds	-	-	43,743,295	-	-	-	43,743,295	44,320,781
Other assets	-	-	-	72,160,739	-	-	72,160,739	72,160,739
	52,298,422	77,905,020	132,792,890	1,959,134,816	267,549,241	-	2,489,680,389	2,469,853,187
Deposits from financial institutions	-	-	-	-	-	72,914,421	72,914,421	72,910,858
Deposits from customers	-	-	-	-	-	1,683,244,320	1,683,244,320	1,682,766,276
Other liabilities	-	-	-	-	-	65,277,321	65,277,321	65,277,321
Derivative financial instruments	-	3,077,927	-	-	-	-	3,077,927	3,077,927
Debt securities issued	-	-	-	-	-	149,853,640	149,853,640	137,841,311
Interest bearing borrowings	-	-	-	-	-	231,467,161	231,467,161	236,648,640
	-	3,077,927	-	-	-	2,202,756,863	2,205,834,790	2,198,522,334

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Group	Trading	Derivatives held for trading	Held-to- maturity	Loans and receivables at amortized cost	Available- for-sale	Financial Liabilities measured at amortized cost	Total carrying amount	Fair value
<i>In thousands of Naira</i>								
31 December 2014								
Cash and balances with banks	-	-	-	405,014,793	-	-	405,014,793	405,014,793
Non pledged trading assets								
Treasury bills	24,546,032	-	-	-	-	-	24,546,032	24,546,032
Bonds	3,786,172	-	-	-	-	-	3,786,172	3,786,172
Equity	79,440	-	-	-	-	-	79,440	79,440
Derivative financial instruments	-	24,866,681	-	-	-	-	24,866,681	24,866,681
Loans and advances to banks	-	-	-	12,435,659	-	-	12,435,659	12,584,887
Loans and advances to customers	-	-	-	1,110,464,441	-	-	1,110,464,441	1,068,909,228
Pledged assets								
Treasury bills	188,923	-	10,629,919	-	4,306,480	-	15,125,322	15,038,617
Bonds	-	-	71,946,825	-	-	-	71,946,825	43,005,034
Investment securities								
- Available for sale								
Treasury bills	-	-	-	-	92,046,032	-	92,046,032	92,046,032
Bonds	-	-	-	-	47,749,378	-	47,749,378	47,749,378
Equity	-	-	-	-	45,087,422	-	45,087,422	45,087,422
- Held to Maturity								
Treasury bills	-	-	23,495,446	-	-	-	23,495,446	23,359,267
Bonds	-	-	61,833,110	-	-	-	61,833,110	36,139,519
Other assets	-	-	-	36,030,750	-	-	36,030,750	36,030,750
	28,600,567	24,866,681	167,905,300	1,563,945,643	189,189,312	-	1,974,507,502	1,878,243,253
Deposits from financial institutions	-	-	-	-	-	119,045,423	119,045,423	115,765,391
Deposits from customers	-	-	-	-	-	1,454,419,052	1,454,419,052	1,455,710,695
Other liabilities	-	-	-	-	-	20,201,802	20,201,802	20,201,802
Derivative financial instruments	-	1,989,662	-	-	-	-	1,989,662	1,989,662
Debt securities issued	-	-	-	-	-	138,481,179	138,481,179	135,517,192
Interest bearing borrowings	-	-	-	-	-	79,816,309	79,816,309	78,369,011
	-	1,989,662	-	-	-	1,811,963,765	1,813,953,427	1,807,553,753

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Bank <i>In thousands of Naira</i> 31 December 2015	Trading	Derivatives held for trading	Held-to- maturity	Loans and receivables at amortised cost	Available-for-sale	Financial Liabilities measured at amortized cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	-	405,998,636	-	-	405,998,636	405,998,636
Investment under management	-	-	918	-	10,402,690	-	10,403,608	10,406,579
Non pledged trading assets								
Treasury bills	50,209,443	-	-	-	-	-	50,209,443	50,209,443
Bonds	2,025,000	-	-	-	-	-	2,025,000	2,025,000
Equity	63,979	-	-	-	-	-	63,979	63,979
Derivative financial instruments	-	77,852,349	-	-	-	-	77,852,349	77,852,349
Loans and advances to banks	-	-	-	60,414,721	-	-	60,414,721	60,276,940
Loans and advances to customers	-	-	-	1,243,215,309	-	-	1,243,215,309	1,242,206,624
Pledged assets								
Treasury bills	-	-	-	-	103,684,044	-	103,684,044	103,684,044
Bonds	-	-	78,110,623	-	18,669,957	-	96,780,580	77,243,142
Investment securities								
Available for sale								
Treasury bills	-	-	-	-	10,436,981	-	10,436,981	10,436,981
Bonds	-	-	-	-	60,696,103	-	60,696,103	60,696,103
Equity	-	-	-	-	44,575,185	-	44,575,185	44,755,565
Held to maturity	-	-	-	-	-	-	-	-
Treasury bills	-	-	-	-	-	-	-	-
Bonds	-	825,225,321	40,286,529	-	-	-	865,511,850	38,700,193
Other assets	-	-	-	69,509,746	-	-	69,509,746	69,509,746
	52,298,422	903,077,670	118,398,070	1,779,138,412	248,464,960	-	3,101,377,534	2,254,065,324
Deposits from financial institutions	-	-	-	-	-	63,343,785	63,343,785	63,342,003
Deposits from customers	-	-	-	-	-	1,528,213,883	1,528,213,883	1,527,735,839
Derivative financial instruments	-	2,416,378	-	-	-	-	2,416,378	2,416,378
Other liabilities	-	-	-	-	-	62,871,485	62,871,485	62,871,485
Debt securities issued	-	-	-	-	-	78,516,655	78,516,655	69,591,973
Interest bearing borrowings	-	-	-	-	-	302,919,987	302,919,987	304,315,360
	-	2,416,378	-	-	-	2,035,865,795	2,038,282,173	2,030,273,038

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Bank <i>In thousands of Naira</i> 31 December 2014	Trading	Derivatives held for trading	Held-to- maturity	Loans and receivables at amortised cost	Available-for-sale	Financial Liabilities measured at amortized cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	-	351,174,879	-	-	351,174,879	351,174,879
Non pledged trading assets								
Treasury bills	24,546,032	-	-	-	-	-	24,546,032	24,546,032
Bonds	3,786,172	-	-	-	-	-	3,786,172	3,786,172
Equity	79,440	-	-	-	-	-	79,440	79,440
Derivative financial instruments	-	24,831,145	-	-	-	-	24,831,145	24,831,145
Loans and advances to banks	-	-	-	55,776,837	-	-	55,776,837	55,837,270
Loans and advances to customers	-	-	-	1,019,908,848	-	-	1,019,908,848	933,545,177
Pledged assets								
Treasury bills	188,923	-	8,741,125	-	4,306,480	-	13,236,528	13,156,336
Bonds	-	-	71,946,825	-	-	-	71,946,825	42,729,652
Investment securities								
Available for sale								
Treasury bills	-	-	-	-	61,656,952	-	61,656,952	61,656,952
Bonds	-	-	-	-	45,543,884	-	45,543,884	45,543,884
Equity	-	-	-	-	45,052,274	-	45,052,274	45,052,274
Held to maturity								
Treasury bills	-	-	15,963,009	-	-	-	15,963,009	15,829,500
Bonds	-	-	73,884,873	-	-	-	73,884,873	48,695,078
Other assets	-	-	-	30,513,159	-	-	30,513,159	30,513,159
	28,600,567	24,831,145	170,535,832	1,457,373,723	156,559,590	-	1,837,900,857	1,696,976,951
Deposits from financial institutions	-	-	-	-	-	134,509,662	134,509,662	131,229,630
Deposits from customers	-	-	-	-	-	1,324,800,611	1,324,800,611	1,324,796,070
Derivative financial instruments	-	1,737,791	-	-	-	-	1,737,791	1,737,791
Other liabilities	-	-	-	-	-	15,678,189	15,678,189	15,678,189
Debt securities issued	-	-	-	-	-	73,155,391	73,155,391	70,949,501
Interest bearing borrowings	-	-	-	-	-	146,345,767	146,345,767	142,936,702
	-	1,737,791	-	-	-	1,694,489,620	1,696,227,411	1,687,327,883

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.

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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:

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Cash and balances with banks				
- Current balances with banks outside Nigeria	49,423,809	15,109,636	27,989,703	9,351,944
- Unrestricted balances with central banks	90,721,388	32,060,575	74,158,434	22,262,582
- Restricted balances with central banks	249,954,817	257,591,933	248,182,477	255,603,361
- Money market placements	52,433,982	65,813,241	26,111,216	36,965,179
Investment under management	10,403,608	-	10,403,608	-
Non pledged trading assets				
Treasury bills	50,209,443	24,546,032	50,209,443	24,546,032
Bonds	2,025,000	3,786,172	2,025,000	3,786,172
Derivative financial instruments	77,905,020	24,866,681	77,852,349	24,831,145
Loans and advances to banks	42,733,910	12,435,659	60,414,721	55,776,837
Loans and advances to customers	1,365,830,831	1,110,464,442	1,243,215,309	1,019,908,848
Pledged assets				
Treasury bills	106,934,817	15,125,322	103,684,044	13,236,528
Bonds	96,780,580	71,946,825	96,780,580	71,946,825
Investment securities				
Available for sale				
Treasury bills	28,996,006	92,046,032	10,436,981	61,656,952
Bonds	61,204,214	47,749,378	60,696,103	45,543,884
Held to Maturity				
Treasury bills	7,687,281	23,495,446	-	15,963,009
Bonds	43,743,295	61,833,110	40,286,529	57,921,864
Other assets	72,160,739	36,030,750	69,509,746	30,513,159
Total	2,409,148,740	1,894,901,234	2,201,956,243	1,749,814,321
Off balance sheet exposures			-	
Transaction related bonds and guarantees	221,127,530	165,466,393	218,067,025	145,831,160
Guaranteed facilities	94,135,927	91,373,327	93,164,093	72,221,845
Clean line facilities for letters of credit and other commitments	657,586,492	377,152,396	600,895,192	372,652,653
Total	972,849,949	633,992,116	910,603,150	590,705,658

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 31 December 2015 and 31 December 2014, 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.

5.1.2 Gross loans and advances to customers per sector is as analysed follows:

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Agriculture	19,176,019	14,740,963	15,937,248	14,483,622
Capital market	-	1,316,637	-	1,316,637
Construction	87,879,130	65,583,095	76,829,699	55,747,139
Education	2,113,599	1,482,317	2,016,754	1,482,317
Finance and insurance	21,037,838	22,537,038	18,642,306	22,091,245
General	53,774,970	27,709,205	52,277,961	26,521,378
General commerce	159,870,596	170,977,055	133,869,178	148,635,603
Government	169,073,246	55,409,711	168,626,536	54,100,558
Information And communication	121,177,114	111,394,390	118,922,511	108,560,585
Other Manufacturing (Industries)	72,850,211	75,553,584	57,301,618	53,534,031
Basic Metal Products	2,682,493	2,271,646	2,682,493	2,271,646
Cement	26,147,216	28,528,775	26,147,216	28,528,775
Conglomerate	14,766,577	6,924,579	14,766,577	6,924,579
Steel Rolling Mills	53,920,584	66,843,130	53,920,584	66,843,130
Flourmills And Bakeries	13,642	4,795,238	13,642	4,795,238
Food Manufacturing	15,094,847	19,386,264	14,642,665	19,386,264
Oil And Gas - Downstream	137,651,684	128,040,641	115,343,768	108,160,569
Oil And Gas - Services	117,106,760	89,343,529	115,659,696	89,343,529
Oil And Gas - Upstream	61,020,646	63,154,069	61,020,646	63,154,069
Crude oil refining	28,860,271	26,157,810	28,860,271	26,157,810
Real estate activities	104,749,765	66,444,681	100,157,931	65,943,853
Transportation and storage	74,287,655	47,154,949	70,899,610	45,393,168
Power and energy	15,955,628	23,236,149	8,099,644	15,502,705
Professional, scientific and technical activities	7,474,460	2,106,274	6,727,525	2,106,274
Others	27,836,687	8,354,537	6,755,312	5,930,261
	1,394,521,639	1,129,446,266	1,270,121,392	1,036,914,985

5.1.3(a) Group Credit quality by class <i>In thousands of Naira</i>	Loans and advances to Individuals		Loans and advances Corporates		Loans and advances to banks		Off balance sheet	
	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014
	Carrying amount	52,778,622	27,799,373	1,313,052,209	1,082,665,068	42,733,910	12,435,659	972,849,949
Neither past due nor impaired								
Grade 1 - 3:	51,287,214	24,626,118	1,285,783,522	1,025,873,153	42,730,953	12,417,088	972,620,530	633,424,581
Grade 4 -5:	114,909	1,901,440	21,376,676	37,399,652	-	-	229,419	80,573
Gross amount	51,402,123	26,527,558	1,307,160,198	1,063,272,805	42,730,953	12,417,088	972,849,949	633,505,154
Impairment	(465,739)	(381,006)	(15,241,871)	(8,757,115)	-	(1,655)	-	-
Carrying amount	50,936,384	26,146,552	1,291,918,327	1,054,515,690	42,730,953	12,415,433	972,849,949	633,505,154
Past due but not impaired:								
Grade 6:	182,541	117,669	351,679	1,851,029	-	15,918	-	-
Grade 7:	953,436	724,616	1,033,145	3,050,021	12,043	8,994	-	-
Grade 8:	1,050,093	1,227,641	7,971,888	7,413,786	-	-	-	486,962
Gross amount	2,186,069	2,069,926	9,356,712	12,314,836	12,043	24,912	-	486,962
Impairment	(475,439)	(417,104)	(2,025,081)	(1,459,071)	(9,086)	(4,686)	-	-
Carrying amount	1,710,630	1,652,822	7,331,631	10,855,765	2,957	20,226	-	486,962
Past due and impaired:								
Grade 6: Impaired	203,207	-	4,991,809	573,858	-	-	-	-
Grade 7: Impaired	18,240	-	5,091,934	16,004,792	-	-	-	-
Grade 8: Impaired	160,784	-	13,950,562	8,682,492	-	-	-	-
Gross amount	382,231	-	24,034,305	25,261,143	-	-	-	-
Allowance for impairment	(250,624)	-	(10,232,054)	(7,967,529)	-	-	-	-
Carrying amount	131,607	-	13,802,251	17,293,614	-	-	-	-
Bank								
Credit quality by class <i>In thousands of Naira</i>								
	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014
Carrying amount	34,661,649	20,474,332	1,208,553,660	999,434,516	60,414,721	55,776,837	910,603,150	590,705,657
Neither past due nor impaired								
Grade 1 - 3:	33,175,710	19,064,106	1,183,914,409	947,196,486	60,411,764	55,758,266	910,373,731	590,218,383
Grade 4 -5:	114,909	14,528	21,376,676	36,288,582	-	-	229,419	313
Gross amount	33,290,619	19,078,634	1,205,291,085	983,485,068	60,411,764	55,758,266	910,603,150	590,218,695
Impairment	(386,193)	(257,123)	(14,429,082)	(8,532,679)	-	(1,655)	-	-
Carrying amount	32,904,426	18,821,511	1,190,862,003	974,952,389	60,411,764	55,756,611	910,603,150	590,218,695
Past due but not Impaired:								
Grade 6:	182,541	117,668	351,679	1,851,028	-	15,918	-	-
Grade 7:	953,436	724,616	1,033,145	3,050,021	12,043	8,994	-	-
Grade 8:	1,050,093	1,227,641	7,971,888	7,413,786	-	-	-	486,962
Gross amount	2,186,069	2,069,925	9,356,712	12,314,835	12,043	24,912	-	486,962
Impairment	(475,439)	(417,104)	(2,025,081)	(1,459,071)	(9,086)	(4,686)	-	-
Carrying amount	1,710,630	1,652,821	7,331,631	10,855,764	2,957	20,226	-	486,962

Past due and Impaired:

Grade 6: Impaired	154,959	-	4,927,701	169,051	-	-	-	-
Grade 7: Impaired	-	-	4,559,254	15,268,156	-	-	-	-
Grade 8: Impaired	142,257	-	10,212,735	4,529,315	-	-	-	-
Gross amount	297,216	-	19,699,690	19,966,522	-	-	-	-
Allowance for impairment	(250,624)	-	(9,339,664)	(6,340,160)	-	-	-	-
Carrying amount	46,593	-	10,360,026	13,626,362	-	-	-	-

5-1.3

(b) Aging analysis of credit quality

31 December 2015**Past due & not impaired**

Past due up to 30days	182,542	363,722	182,542	363,722
Past due up 30 - 60 days	953,436	1,033,145	953,436	1,033,145
Past due up 60 - 90 days	1,050,093	7,971,888	1,050,093	7,971,888

Total**Past due & impaired**

Past due up to 91 - 180days	203,206	4,991,809	154,959	4,927,701
Past due up 180 - 360 days	18,240	5,091,934	-	4,559,254
Above 360days	160,784	13,950,562	142,257	10,212,735

Total**31 December 2014****Past due & not impaired**

Past due up to 30days	117,669	1,866,947	117,669	1,866,947
Past due up 30 - 60 days	724,616	3,059,015	724,616	3,059,015
Past due up 60 - 90 days	1,227,641	7,413,786	1,227,641	7,413,786

Total**Past due & impaired**

Past due up to 91 - 180days	-	573,858	-	169,051
Past due up 180 - 360 days	-	16,004,792	-	15,268,156
Above 360days	-	8,682,492	-	4,529,315

Total

(c)

Debt securities**Grade 1-3: Low-fair risk****Group**

	December 2015			December 2014		
	Treasury bills	Bonds	Total	Treasury bills	Bonds	Total
Investment under management	5,171,750	-	5,171,750	-	-	-
Available-for-sale assets	28,996,006	61,204,214	90,200,220	92,046,032	47,749,378	139,795,410
Held to maturity assets	7,687,281	43,743,295	51,430,576	23,495,446	61,833,110	85,328,556
Non pledged trading assets	50,209,443	2,025,000	52,234,443	24,546,032	3,786,172	28,332,204
Pledged assets	106,934,817	96,780,580	203,715,397	15,125,322	71,946,825	87,072,147
Carrying amount	193,827,547	203,753,089	397,580,636	155,212,832	185,315,485	340,528,317

Bank

	December 2015			December 2014		
	Treasury bills	Bonds	Total	Treasury bills	Bonds	Total
Investment under management	5,171,750	-	5,171,750	-	-	-
Available-for-sale assets	10,436,981	60,696,103	71,133,084	61,656,952	45,543,884	107,200,836
Held to maturity assets	-	40,286,529	40,286,529	15,963,009	57,921,864	73,884,873
Non pledged trading assets	50,209,443	2,025,000	52,234,443	24,546,032	3,786,172	28,332,204
Pledged assets	103,684,044	96,780,580	200,464,624	13,236,528	71,946,825	85,183,353
Carrying amount	164,330,468	199,788,212	364,118,680	115,402,521	179,198,745	294,601,266

There are bonds worth N180Mn that are past due and impaired (past due up to 180-360 days), a full provision has been made for this balance.

The credit risk associated with Cash and balances with banks, derivatives and other assets (all neither past due nor impaired) are considered to be low at 31 December 2015.

5.1.3 Credit quality

(d) Credit quality by risk rating class

Group			Loans and advances to Individuals		Loans and advances to Corporates		Loans and advances to banks	
			December 2015	December 2014	December 2015	December 2014	December 2015	December 2014
External Rating Equivalent	Grade	Risk Rating						
<i>In thousands of Naira</i>								
AAA	Investment	1	-	-	164,056,674	103,410,318	42,095,369	12,290,573
AA	Investment	2+	-	-	126,296,312	160,138,302	-	-
A	Investment	2	-	-	161,182,597	125,585,058	631,423	-
BBB	Investment	2-	-	-	239,624,041	205,089,767	-	-
BB+	Standard	3+	1,168,452	1,289,875	104,007,186	184,994,108	-	-
BB	Standard	3	49,450,682	20,688,668	429,130,854	174,611,584	-	126,515
BB-	Standard	3-	668,080	2,646,939	61,485,857	72,043,380	-	-
B	Non-Investment	4	15,970	1,107,304	19,720,718	34,754,218	-	-
B-	Non-Investment	5	98,939	794,136	1,655,959	2,645,434	-	-
CCC	Non-Investment	6	385,748	117,669	5,343,488	2,424,888	-	-
C	Non-Investment	7	971,675	724,616	6,125,079	19,054,813	12,043	15,918
D	Non-Investment	8	1,210,877	1,228,277	21,922,451	16,096,914	-	8,994
Gross amount			53,970,424	28,597,483	1,340,551,215	1,100,848,783	42,738,836	12,442,000
Collective Impairment			(941,178)	(798,110)	(17,266,952)	(10,216,186)	(9,086)	(6,341)
Specific Impairment			(250,624)	-	(10,232,054)	(7,967,529)	-	-
Carrying amount			52,778,622	27,799,373	1,313,052,209	1,082,665,068	42,729,751	12,435,659

Derivative
Financial Instruments

Group			Gross Nominal		Fair Value	
			December 2015	December 2014	December 2015	December 2014
External Rating Equivalent	Grade	Risk Rating				
AAA-A	Investment	1	304,214,019	221,399,500	74,568,887	24,761,064
A	Investment	2	25,178,482	-	1,523,619	-
BBB-B	Non-Investment	5	18,599,431	5,242,089	1,812,514	105,617
Gross amount			347,991,932	226,641,589	77,905,020	24,866,681
Collective Impairment			-	-	-	-
Specific Impairment			-	-	-	-
Carrying amount			347,991,932	226,641,589	77,905,020	24,866,681

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due or impaired

Credit quality by risk rating class

Bank			Loans and advances to Individuals		Loans and advances Corporates		Loans and advances to banks		
	External Rating Equivalent	Grade	Risk Rating	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014
<i>In thousands of Naira</i>									
AAA	Investment	1	-	-	163,854,025	101,796,663	59,780,341	55,631,752	
AA	Investment	2+	-	-	126,296,312	145,945,811	-	-	
A	Investment	2	-	-	161,182,597	117,107,385	-	-	
BBB	Investment	2-	-	-	239,624,041	200,318,443	-	-	
BB+	Standard	3+	1,168,452	920,644	104,007,186	170,052,461	-	-	
BB	Standard	3	31,339,177	17,438,164	327,464,392	143,399,733	631,423	126,515	
BB-	Standard	3-	668,080	705,298	61,485,857	68,575,990	-	-	
B	Non-Investment	4	15,970	14,528	19,720,718	34,515,625	-	-	
B-	Non-Investment	5	98,939	-	1,655,959	1,772,958	-	-	
CCC	Non-Investment	6	337,501	117,668	5,279,380	2,020,080	-	-	
C	Non-Investment	7	953,436	724,616	5,592,399	18,318,177	12,043	15,918	
D	Non-Investment	8	1,192,350	1,227,641	18,184,623	11,943,100	-	8,994	
Gross amount			35,773,905	21,148,559	1,234,347,487	1,015,766,425	60,423,807	55,783,178	
Collective Impairment			(861,632)	(674,227)	(16,871,228)	(9,991,751)	(9,086)	(6,341)	
Specific Impairment			(250,624)	-	(8,922,599)	(6,340,159)	-	-	
Carrying amount			34,661,649	20,474,332	1,208,553,660	999,434,515	60,414,721	55,776,837	

Derivative
Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal		Fair Value	
			December 2015	December 2014	December 2015	December 2014
AAA-A	Investment	1	296,865,582	221,399,500	74,516,216	24,761,064
A	Investment	2	25,178,482	-	1,523,619	-
BBB-B	Non-Investment	3	18,599,431	3,096,726	1,812,514	70,081
Gross amount			340,643,495	224,496,226	77,852,349	24,831,145
Collective Impairment			-	-	-	-
Specific Impairment			-	-	-	-
Carrying amount			340,643,495	224,496,226	77,852,349	24,831,145

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies.

5.1.3 Estimate of the fair value of collateral and other security enhancements held against loans and advances to customers and banks is (e) shown below:

Group	Loans and advances to customers		Loans and advances to banks	
	December 2015	December 2014	December 2015	December 2014
<i>In thousands of Naira</i>				
Against neither past due and not impaired				
Property	422,253,462	394,328,852	-	-
Equities	43,337,372	5,343,810	-	-
Cash	70,869,009	29,996,336	-	-
Pledged goods/receivables	-	-	-	-
Others	360,496,371	45,395,427	-	-
Total	896,956,214	475,064,425	-	-
Against past due but not impaired:				
Property	15,638,209	11,445,304	-	-
Equities	86,000	2,539	-	-
Cash	-	-	-	-
Pledged goods/receivables	-	-	-	-
Others	103,477	-	-	-
Total	15,827,686	11,447,843	-	-
Against past due and impaired				
Property	8,202,229	8,471,685	-	-
Equities	170,081	4,129	-	-
Others	-	947,815	-	-
Total	8,372,310	9,423,629	-	-
Total	921,156,210	495,935,897	-	-
Bank				
<i>In thousands of Naira</i>				
Against neither past due and not impaired				
Property	366,344,483	375,551,288	-	-
Equities	27,350,697	5,188,165	-	-
Cash	65,062,698	26,083,771	-	-
Others	319,328,348	40,172,943	-	-
Total	778,086,226	446,996,167	-	-
Against past due but not impaired:				
Property	15,398,480	11,445,304	-	-
Equities	-	2,539	-	-
Cash	-	-	-	-
Others	-	-	-	-
Total	15,398,480	11,447,843	-	-
Against past due and impaired				
Property	4,319,362	6,777,347	-	-
Equities	65,138	4,129	-	-
Cash	-	-	-	-
Others	5,552,733	653,666	-	-
Total	9,937,233	7,435,142	-	-
Total	803,421,939	465,879,152	-	-

There are no collaterals held against other financial assets. There were also no repossessed collateral during the year

Collateral held and other credit enhancements, and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. The bank does not sell or repledge the collateral in the absence of default by the owner of the collateral. In addition to the Group's focus on credit worthiness, the group aligns with its credit policy guide to periodically update the validation of collaterals held against all loans to customers. For impaired loans, the Group obtains appraisals of collateral because the fair value of the collateral is an input to the impairment measurement.

5.1.4 Offsetting financial assets and financial liabilities

As at 31 December 2015

In thousands of Naira

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
The following financial assets are subject to offsetting			
Financial assets			
Loans and advances to banks	43,711,424	490,836	43,220,588
Total	43,711,424	490,836	43,220,588

As at 31 December 2015

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
Financial liabilities			
Interest bearing borrowing	231,957,997	490,836	231,467,161
Total	231,957,997	490,836	231,467,161

An obligation exists between the Bank and Access Finance B.V., for which Access Finance B.V. was expected to lend 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.

The gross amounts of financial assets and financial liabilities disclosed in the above tables have been measured in the statement of financial position on the following bases:

- (1) Loans and advances to customers – amortised cost; and
- (2) Interest bearing borrowings – amortised cost.

A master netting arrangement exists for the financial derivatives entered into but there is no instrument offsetting the financial derivatives recorded in the financial statements.

Notes to the consolidated financial statements
For the year ended 31 December 2015

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

December 2015

In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	442,533,996	-	-	-	442,533,996
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	-	-	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	-	-	-	-	-	-	-
Auto Loan	193,144	3,155,221	-	2,149,761	20,922	-	5,519,048
Credit Card	6,564	264,721	-	2,580,135	-	-	2,851,420
Finance Lease	983,460	829,448	-	-	-	-	1,812,908
Mortgage Loan	4,266,174	1,895,685	-	17,903,280	-	-	24,065,139
Overdraft	74,793,376	117,756,480	-	4,466,895	1,302,179	-	198,318,930
Personal Loan	-	-	-	20,183,608	-	-	20,183,608
Term Loan	332,372,252	277,769,051	-	4,702,425	164,362,411	-	779,206,139
Time Loan	165,686,382	164,171,032	-	792,518	3,223,707	-	333,873,639
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
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	40,597,349	180,530,181	-	-	-	-	221,127,530
Guaranteed facilities	12,764,903	78,944,392	-	23,484	2,403,148	-	94,135,927
Clean line facilities for letters of credit and other commitments	101,837,487	161,274,499	105,881,006	-	288,593,500	-	657,586,492
Total	155,199,739	420,749,072	105,881,006	23,484	290,996,648	-	972,849,949

Notes to the consolidated financial statements
For the year ended 31 December 2015

**Group
By Sector**

December 2014

In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	370,575,385	-	-	-	370,575,385
Non pledged trading assets							
Treasury bills	-	-	-	-	24,546,032	-	24,546,032
Bonds	-	-	-	-	3,786,172	-	3,786,172
Derivative financial instruments	52,388	-	24,814,293	-	-	-	24,866,681
Loans and advances to banks	-	-	12,435,659	-	-	-	12,435,659
Loans and advances to customers	-	-	-	-	-	-	-
Auto Loan	407,110	1,414,713	-	1,121,666	252,306	-	3,195,795
Credit Card	23,884	130,420	-	1,764,825	-	-	1,919,129
Finance Lease	1,109,580	1,555,628	-	67,558	-	-	2,732,767
Mortgage Loan	-	35,480	-	4,373,896	-	-	4,409,376
Overdraft	127,191,153	107,822,624	-	6,274,984	8,120,785	-	249,409,546
Personal Loan	-	-	-	8,099,089	-	-	8,099,089
Term Loan	285,000,294	212,988,576	-	4,224,648	37,768,413	-	539,981,931
Time Loan	114,911,265	172,334,423	-	4,458,742	9,012,378	-	300,716,808
Pledged assets							
Treasury bills	-	-	-	-	15,125,322	-	15,125,322
Bonds	-	-	-	-	71,946,825	-	71,946,825
Investment securities							
- Available for sale	-	-	-	-	92,046,032	-	92,046,032
Treasury bills	11,941,140	-	9,171,430	-	26,636,808	-	47,749,378
Bonds	-	-	-	-	-	-	-
- Held to Maturity							
Treasury bills	-	-	-	-	23,495,446	-	23,495,446
Bonds	5,225,169	-	1,031,974	-	55,575,967	-	61,833,110
Other assets	8,304,219	702,502	2,407,285	3,833,245	10,100,525	10,682,974	36,030,750
Total	554,166,202	496,984,366	420,436,026	34,218,651	378,413,010	10,682,974	1,894,901,233
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	23,601,545	115,996,127	-	346,462	24,882,433	639,826	165,466,393
Guaranteed facilities	27,622,038	59,530,706	-	259,327	3,648,713	312,543	91,373,327
Clean line facilities for letters of credit and other commitments	64,015,860	57,639,456	1,886,733	128,746	253,481,601	-	377,152,396
Total	115,239,443	233,166,289	1,886,733	734,535	282,012,747	952,369	633,992,116

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
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	-	-	-	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					
Auto Loan	5,291,292	227,756		-	5,519,048
Credit Card	2,812,544	38,876		-	2,851,420
Finance Lease	1,812,908	-		-	1,812,908
Mortgage Loan	4,359,784	2,378,877	17,326,478	-	24,065,139
Overdraft	179,077,197	19,241,733		-	198,318,930
Personal Loan	17,863,574	2,320,034		-	20,183,608
Term Loan	746,115,794	20,515,466	12,574,879	-	779,206,139
Time Loan	285,882,216	35,131,205	12,860,217	-	333,873,639
Pledged assets					-
Treasury bills	103,684,044	3,250,774			106,934,818
Bonds	96,780,580				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		61,204,214
- 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	-	1,956,211,136
Credit risk exposures relating to other 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

Notes to the consolidated financial statements
For the year ended 31 December 2015

By geography

Group

December 2014

In thousands of Naira

	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	316,735,471	31,931,324	21,908,590	-	370,575,385
Non pledged trading assets					
Treasury bills	3,786,172	-	-	-	3,786,172
Bonds	24,546,032	-	-	-	24,546,032
Derivative financial instruments	24,761,064	-	105,617	-	24,866,681
Loans and advances to banks	12,435,659	-	-	-	12,435,659
Loans and advances to customers					
Auto Loan	3,186,276	9,519	-	-	3,195,795
Credit Card	1,836,830	82,299	-	-	1,919,129
Finance Lease	2,462,536	270,231	-	-	2,732,767
Mortgage Loan	3,696,833	712,544	-	-	4,409,376
Overdraft	220,076,033	29,333,513	-	-	249,409,546
Personal Loan	6,771,929	1,327,160	-	-	8,099,089
Term Loan	507,949,921	18,296,164	13,735,847	-	539,981,932
Time Loan	273,928,489	26,255,890	532,429	-	300,716,808
Pledged assets					
Treasury bills	13,236,528	1,888,794	-	-	15,125,322
Bonds	71,946,825	-	-	-	71,946,825
Investment securities					
- Available for sale					
Treasury bills	61,656,952	13,703,364	16,685,716	-	92,046,032
Bonds	37,193,593	-	10,555,785	-	47,749,378
- Held to Maturity					
Treasury bills	22,819,121	-	676,325	-	23,495,446
Bonds	60,088,642	-	1,744,468	-	61,833,110
Other assets	30,513,159	2,652,048	2,865,543	-	36,030,750
Total	1,699,628,066	126,462,850	68,810,319	-	1,894,901,234
Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	145,828,839	19,636,482	1,072	-	165,466,393
Guaranteed facilities	72,209,932	19,163,395	-	-	91,373,327
Clean line facilities for letters of credit and other commitments	372,652,651	4,455,746	43,999	-	377,152,396
Total	590,691,422	43,255,623	45,071	-	633,992,116

Credit risk management

5.1.5 (b) 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							
Auto Loan	173,144	1,020,277	-	4,076,948	20,922	-	5,291,292
Credit Card	-	-	-	2,812,544	-	-	2,812,544
Finance Lease	983,461	829,447	-	-	-	-	1,812,908
Mortgage Loan	-	27,552	-	4,332,232	-	-	4,359,784
Overdraft	61,513,770	112,064,079	-	4,381,653	1,302,179	-	179,261,680
Personal Loan	-	-	-	17,863,573	-	-	17,863,573
Term Loan	310,192,916	268,549,705	-	3,272,990	163,915,701	-	745,931,312
Time Loan	132,203,718	149,821,320	-	633,471	3,223,707	-	285,882,216
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
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	29,902,003	188,165,021	-	-	-	-	218,067,025
Guaranteed facilities	4,742,037	84,472,264	-	23,484	2,403,148	-	91,640,933
Clean line facilities for letters of credit and other commitments	80,604,444	125,816,242	105,881,006	-	288,593,500	-	600,895,192
Total	115,248,484	398,453,527	105,881,006	23,484	290,996,648	-	910,603,149

Notes to the consolidated financial statements
For the year ended 31 December 2015

By Sector

Bank

December 2014

In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	324,183,066	-	-	-	324,183,066
Non pledged trading assets							
Treasury bills	-	-	-	-	24,546,032	-	24,546,032
Bonds	-	-	-	-	3,786,172	-	3,786,172
Derivative financial instruments	52,388	-	17,693	-	24,761,064	-	24,831,145
Loans and advances to banks	-	-	55,776,837	-	-	-	55,776,837
Loans and advances to customers	-	-	-	-	-	-	-
Auto Loan	407,111	1,414,713	-	1,112,147	252,306	-	3,186,277
Credit Card	23,884	130,420	-	1,682,526	-	-	1,836,831
Finance Lease	998,111	1,464,425	-	-	-	-	2,462,536
Mortgage Loan	-	34,844	-	3,661,352	-	-	3,696,197
Overdraft	111,864,392	95,283,183	-	4,808,309	8,120,785	-	220,076,668
Personal Loan	-	-	-	6,771,929	-	-	6,771,929
Term Loan	267,921,588	200,116,138	-	3,244,831	36,667,365	-	507,949,921
Time Loan	101,651,047	161,485,154	-	1,779,910	9,012,378	-	273,928,489
Pledged assets							
Treasury bills	-	-	-	-	13,236,528	-	13,236,528
Bonds	-	-	-	-	71,946,826	-	71,946,826
Investment securities							
Available for sale							
Treasury bills	-	-	-	-	61,656,952	-	61,656,952
Bonds	1,384,355	-	6,965,935	-	37,193,593	-	45,543,884
Held to Maturity							
Treasury bills	-	-	-	-	15,963,009	-	15,963,009
Bonds	2,886,419	-	1,031,974	-	54,003,471	-	57,921,864
Other assets	6,777,687	140,437	1,100,860	2,836,891	9,763,994	9,893,290	30,513,159
Total	493,966,983	460,069,314	389,076,365	25,897,895	370,910,475	9,893,290	1,749,814,324
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	13,964,545	105,997,893	-	346,462	24,882,433	639,826	145,831,160
Guaranteed facilities	20,122,038	47,902,619	-	255,932	3,638,713	302,543	72,221,845
Clean line facilities for letters of credit and other commitments	60,015,860	57,139,712	1,886,733	128,746	253,481,602	-	372,652,653
Total	94,102,443	211,040,224	1,886,733	731,140	282,002,748	942,369	590,705,658

Notes to the consolidated financial statements
For the year ended 31 December 2015

5.1.5 (b)i By geography

Bank December 2015 <i>In thousands of Naira</i>	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	405,998,636	-	-	-	405,998,636
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					
Auto Loan	5,291,292				5,291,292
Credit Card	2,812,544				2,812,544
Finance Lease	1,812,908				1,812,908
Mortgage Loan	4,359,784				4,359,784
Overdraft	179,261,680				179,261,680
Personal Loan	17,863,573				17,863,573
Term Loan	745,931,312				745,931,312
Time Loan	285,882,216				285,882,216
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	2,162,329,129	1,409,196	67,601,359	173,367	2,231,513,051
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

By geography

Bank December 2014 <i>In thousands of Naira</i>	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	307,912,599	3,624,876	2,737,562	9,908,029	324,183,066
Non pledged trading assets					
Treasury bills	24,546,032	-	-	-	24,546,032
Bonds	3,786,172	-	-	-	3,786,172
Derivative financial instruments	24,813,452	-	17,693	-	24,831,145
Loans and advances to banks	55,776,837	-	-	-	55,776,837
Loans and advances to customers					
Auto Loan	3,186,277	-	-	-	3,186,277
Credit Card	1,836,831	-	-	-	1,836,831
Finance Lease	2,462,536	-	-	-	2,462,536
Mortgage Loan	3,696,197	-	-	-	3,696,197
Overdraft	220,076,668	-	-	-	220,076,668
Personal Loan	6,771,929	-	-	-	6,771,929
Term Loan	507,949,921	-	-	-	507,949,921
Time Loan	273,928,489	-	-	-	273,928,489
Pledged assets					
Treasury bills	13,236,528	-	-	-	13,236,528
Bonds	71,946,826	-	-	-	71,946,826
Investment securities					
Available for sale					
Treasury bills	61,656,952	-	-	-	61,656,952
Bonds	36,672,871	-	8,871,013	-	45,543,884
Held to Maturity					
Treasury bills	15,963,009	-	-	-	15,963,009
Bonds	57,921,864	-	-	-	57,921,864
Other assets	29,490,011	1,023,148	-	-	30,513,159
Total	1,723,631,999	4,648,024	11,626,268	9,908,029	1,749,814,323
Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	145,831,160	-	-	-	145,831,160
Guaranteed facilities	72,221,845	-	-	-	72,221,845
Clean line facilities for letters of credit and other commitments	372,652,653	-	-	-	372,652,653
Total	590,705,658	-	-	-	590,705,658

5.2.1 A summary of the Group's interest rate gap position on financial instruments is as follows:

Group	Re-pricing period						Total
	Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	Non-Interest bearing	
<i>In thousands of Naira</i>							
31 December 2015							
<i>Non-derivative assets</i>							
Cash and balances with banks	52,433,982	-	-	-	-	425,975,354	478,409,336
Investment under management	10,403,608	-	-	-	-	-	10,403,608
<i>Non pledged trading assets</i>							
Treasury bills	7,378,205	9,653,535	33,177,703	-	-	-	50,209,443
Bonds	-	-	42,554	1,182,521	799,925	-	2,025,000
Loans and advances to banks	543,309	-	42,099,529	91,072	-	-	42,733,910
<i>Loans and advances to customers</i>							
Auto Loan	28,585	63,060	284,135	5,143,269	-	-	5,519,048
Credit Card	794,103	273,215	101,128	1,682,974	-	-	2,851,420
Finance Lease	55,553	181,241	360,817	1,215,297	-	-	1,812,908
Mortgage Loan	2,156	-	1,055,368	800,711	22,206,904	-	24,065,139
Overdraft	136,304,482	14,520,390	47,494,058	-	-	-	198,318,930
Personal Loan	137,483	137,495	424,720	19,469,367	14,543	-	20,183,608
Term Loan	67,304,865	8,558,580	19,636,782	400,260,208	283,445,704	-	779,206,139
Time Loan	239,163,978	33,573,023	60,276,238	859,764	636	-	333,873,639
<i>Pledged assets</i>							
Treasury bills	50,456,135	26,579,358	29,899,324	-	-	-	106,934,817
Bonds	-	-	11,591,562	8,155,781	77,033,237	-	96,780,580
<i>Investment securities</i>							
<i>- Available for sale</i>							
Treasury bills	14,730,720	4,013,091	8,493,425	1,758,770	-	-	28,996,006
Bonds	-	-	2,013,715	20,246,719	38,943,780	-	61,204,214
<i>- Held to Maturity</i>							
Treasury bills	-	-	7,687,281	-	-	-	7,687,281
Bonds	257,092	2,930,151	9,266,388	24,639,513	6,650,151	-	43,743,295
Other assets	-	-	-	-	-	72,160,739	72,160,739
	579,994,256	100,483,138	273,904,728	485,505,965	429,094,880	498,136,093	2,367,119,060
<i>Non-derivative liabilities</i>							
Deposits from financial institutions	70,684,694	2,229,727	-	-	-	-	72,914,421
Deposits from customers	1,524,107,621	70,456,406	66,657,799	22,022,494	-	-	1,683,244,320
Other liabilities	-	-	-	-	-	65,277,321	65,277,321
Debt securities issued	-	-	-	149,853,640	-	-	149,853,640
Interest bearing borrowings	17,049	12,457	1,008,489	20,356,658	197,232,476	12,840,032	231,467,161
	1,594,809,364	72,698,590	67,666,288	192,232,792	197,232,476	78,117,353	2,202,756,863
Total interest re-pricing gap	(1,014,815,108)	27,784,549	206,238,439	293,273,174	231,862,404	420,018,740	164,362,197

Notes to the consolidated financial statements
For the year ended 31 December 2015

Group	Re-pricing period						Total
	Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	Non-Interest bearing	
<i>In thousands of Naira</i>							
31 December 2014							
<i>Non-derivative assets</i>							
Cash and balances with banks	147,422,860	-	-	-	-	257,591,933	405,014,793
Non pledged trading assets							
Treasury bills	18,108,814	1,348,700	5,088,518	-	-	-	24,546,032
Bonds	-	3,552,375	-	233,797	-	-	3,786,172
Loans and advances to banks	-	4,976,800	7,458,859	-	-	-	12,435,659
Loans and advances to customers							
Auto Loan	16,962	36,691	115,857	3,026,286	-	-	3,195,795
Credit Card	1,832,204	-	14,797	72,128	-	-	1,919,129
Finance Lease	249,344	164,057	41,560	2,277,806	-	-	2,732,767
Mortgage Loan	-	71,254	121,132	1,087,129	3,129,860	-	4,409,376
Overdraft	180,987,257	31,870,190	36,531,732	20,366	-	-	249,409,546
Personal Loan	362,620	448,015	686,373	6,509,209	92,872	-	8,099,089
Term Loan	87,032,637	31,592,080	22,181,512	271,447,831	127,727,871	-	539,981,931
Time Loan	209,197,627	39,510,144	48,217,990	3,790,287	759	-	300,716,808
Pledged assets							
Treasury bills	10,633,684	2,137,392	2,354,246	-	-	-	15,125,322
Bonds	-	-	-	-	71,946,825	-	71,946,825
Investment securities							
- Available for sale							
Treasury bills	31,374,867	56,915,906	3,755,259	-	-	-	92,046,032
Bonds	-	37,193,593	-	10,555,785	-	-	47,749,378
- Held to Maturity							
Treasury bills	5,838,977	14,930,757	2,725,712	-	-	-	23,495,446
Bonds	7,966,321	-	-	40,262,779	13,604,010	-	61,833,110
Other assets	-	-	-	-	-	36,030,750	36,030,750
	701,024,174	224,747,954	129,293,547	339,283,404	216,502,197	293,622,683	1,904,473,961
<i>Non-derivative liabilities</i>							
Deposits from financial institutions	104,196,956	10,592,358	4,256,109	-	-	-	119,045,423
Deposits from customers	1,295,131,921	57,033,357	101,953,774	300,000	-	-	1,454,419,052
Other liabilities	7,047,903	3,674,411	4,601,503	4,783,730	-	94,255	20,201,802
Debt securities issued	-	-	-	65,325,788	73,155,391	-	138,481,179
Interest bearing borrowings	156,136	-	-	31,697,910	48,118,399	-	79,972,445
	1,406,532,916	71,300,126	110,811,386	102,107,428	121,273,790	94,255	1,812,119,901
Total interest re-pricing gap	(705,508,742)	153,447,828	18,482,161	237,175,976	95,228,407	293,528,428	92,354,059

Notes to the consolidated financial statements
For the year ended 31 December 2015

5.2.1 A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:

Bank	Re-pricing period						Total
	Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	Non-Interest bearing	
<i>In thousands of Naira</i>							
31 December 2015							
<i>Non-derivative assets</i>							
Cash and balances with banks	26,111,216	-	-	-	-	379,887,420	405,998,636
Investment under management	10,403,608	-	-	-	-	-	10,403,608
<i>Non- pledged trading assets</i>							
Treasury bills	7,378,204	9,653,535	33,177,704	-	-	-	50,209,443
Bonds	-	-	42,554	1,182,522	799,924	-	2,025,000
Loans and advances to banks	-	496,780	59,828,535	89,406	-	-	60,414,721
<i>Loans and advances to customers</i>							
Auto Loan	28,584	63,061	284,135	4,915,512	-	-	5,291,292
Credit Card	794,103	273,215	62,253	1,682,973	-	-	2,812,544
Finance Lease	55,553	181,241	360,817	1,215,297	-	-	1,812,908
Mortgage Loan	2,156	-	105,537	800,711	3,451,380	-	4,359,784
Overdraft	136,671,678	14,335,907	28,254,095	-	-	-	179,261,680
Personal Loan	137,483	137,494	424,721	17,149,332	14,543	-	17,863,573
Term Loan	67,120,383	8,558,580	19,636,783	367,169,862	283,445,704	-	745,931,312
Time Loan	239,163,978	33,573,023	12,284,815	859,764	636	-	285,882,216
<i>Pledged assets</i>							
Treasury bills	48,794,846	26,291,063	28,598,135	-	-	-	103,684,044
Bonds	-	-	11,303,267	7,359,376	78,117,937	-	96,780,580
<i>Investment securities</i>							
<i>- Available for sale</i>							
Treasury bills	6,158,089	-	4,278,892	-	-	-	10,436,981
Bonds	-	-	1,505,605	20,246,719	38,943,780	-	60,696,103
<i>- Held to Maturity</i>							
Treasury bills	-	-	-	-	-	-	-
Bonds	-	-	9,126,791	24,574,550	6,585,188	-	40,286,529
Other assets	-	-	-	-	-	69,509,746	69,509,746
	542,819,881	93,563,899	209,274,639	447,246,024	411,359,092	449,397,166	2,153,660,700
<i>Non-derivative liabilities</i>							
Deposits from financial institutions	61,114,058	2,229,727	-	-	-	-	63,343,785
Deposits from customers	1,454,545,553	42,093,094	31,568,442	6,794	-	-	1,528,213,883
Other liabilities	-	-	-	-	-	62,871,485	62,871,485
Debt securities	-	-	-	78,516,655	-	-	78,516,655
Interest bearing borrowings	-	-	1,008,489	96,799,622	192,271,843	12,840,033	302,919,987
	1,515,659,611	44,322,821	32,576,931	175,323,071	192,271,843	75,711,518	2,035,865,795
Total interest re-pricing gap	(972,839,730)	49,241,078	176,697,708	271,922,953	219,087,249	373,685,648	117,794,905

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Bank	Re-pricing period						Total
	Less than 3 months	4 - 6 months	7 - 12 months	1 - 5 years	More than 5 years	Non-Interest bearing	
<i>In thousands of Naira</i>							
31 December 2014							
<i>Non-derivative assets</i>							
Cash and balances with banks	95,571,518	-	-	-	-	255,603,361	351,174,879
Non- pledged trading assets							
Treasury bills	18,445,882	1,426,320	4,673,830	-	-	-	24,546,032
Bonds	-	3,054,118	-	332,054	400,000	-	3,786,172
Loans and advances to banks	21,447	-	55,631,752	123,638	-	-	55,776,837
Loans and advances to customers	-	-	-	-	-	-	-
Auto Loan	15,916	34,311	111,573	3,024,477	-	-	3,186,277
Credit Card	1,749,906	-	14,797	72,128	-	-	1,836,831
Finance Lease	168,275	96,498	1,025	2,196,738	-	-	2,462,536
Mortgage Loan	-	-	-	887,617	2,808,580	-	3,696,197
Overdraft	172,481,172	20,430,121	27,145,009	20,366	-	-	220,076,668
Personal Loan	97,187	63,139	235,139	6,283,592	92,872	-	6,771,929
Term Loan	83,829,436	26,787,279	14,173,509	266,643,030	116,516,667	-	507,949,921
Time Loan	203,839,964	31,473,649	34,823,831	3,790,287	758	-	273,928,489
Pledged assets							
Treasury bills	8,415,414	2,260,000	2,561,114	-	-	-	13,236,528
Bonds	-	-	-	-	71,946,825	-	71,946,825
Investment securities							
- Available for sale							
Treasury bills	16,303,382	41,450,379	3,903,191	-	-	-	61,656,952
Bonds	-	35,460,759	-	10,027,310	55,815	-	45,543,884
- Held to Maturity							
Treasury bills	4,507,169	11,063,387	392,453	-	-	-	15,963,009
Bonds	30,000	8,749,900	1,050,000	38,485,362	9,606,602	-	57,921,864
Other assets	-	-	-	-	-	30,513,159	30,513,159
	605,476,668	182,349,860	144,717,224	331,886,599	201,428,119	286,116,520	1,751,974,989
<i>Non-derivative liabilities</i>							
Deposits from customers	132,429,521	2,080,141	-	-	-	-	134,509,662
Other liabilities	1,242,641,410	51,537,687	30,321,514	300,000	-	-	1,324,800,611
Debt securities	7,402,275	3,674,411	4,601,503	-	-	-	15,678,189
Interest bearing borrowings	-	-	-	-	73,155,391	-	73,155,391
	1,346,365	5,135,743	5,091,139	104,654,102	22,159,426	7,958,992	146,345,767
	1,383,819,571	62,427,982	40,014,156	104,954,102	95,314,817	7,958,992	1,694,489,620
Total interest re-pricing gap	(778,342,904)	119,921,878	104,703,067	226,932,496	106,113,302	278,157,528	57,485,369

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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 (Note 5.2.1).

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 trading book is made up of foreign currency, Bonds and Treasury bills instruments. The value at Risk of the trading book is as stated:

Group VaR by risk type

In thousands of Naira

	December 2015			Actual
	Average	High	Low	
Foreign exchange risk	19,346,000	78,309,000	151,000	32,375,000
Interest rate risk	93,877,000	414,318,000	14,199,000	316,697,000
Total		492,627,000	14,350,000	349,072,000

Group

	December 2014			Actual
	Average	High	Low	
Foreign exchange risk	15,983,000	59,676,000	63,000	19,400,000
Interest rate risk	97,140,000	792,551,000	4,625,000	163,535,000
Total	113,123,000	852,227,000	4,688,000	182,935,000

Bank VaR by risk type

In thousands of Naira

	December 2015			Actual
	Average	High	Low	
Foreign exchange risk	10,329,000	43,344,000	70,000	23,132,000
Interest rate risk	93,877,000	414,318,000	14,199,000	316,697,000
Total	104,206,000	457,662,000	14,269,000	339,829,000

Bank

	December 2014			Actual
	Average	High	Low	
Foreign exchange risk	12,897,000	28,305,000	36,000	19,400,000
Interest rate risk	97,140,000	792,551,000	4,625,000	163,535,000
Total	110,037,000	820,856,000	4,661,000	182,935,000

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

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
31 December 2014	Fixed	Floating	Non-interest bearing	Total
ASSETS	N'000	N'000	N'000	N'000
Cash and balances with banks	147,422,860	-	257,591,933	405,014,793
Non pledged trading assets	28,332,204	-	79,440	28,411,644
Derivative financial instruments	-	-	24,866,681	24,866,681
Loans and advances to banks	12,435,659	-	-	12,435,659
Loans and advances to customers	8,094,817	1,102,369,624	-	1,110,464,441
Pledged assets	87,072,147	-	-	87,072,147
Investment securities:	-	-	-	-
– Available-for-sale	139,795,410	-	45,087,422	184,882,832
– Held-to-maturity	85,328,556	-	-	85,328,556
TOTAL	508,481,653	1,102,369,624	327,625,476	1,938,476,753
LIABILITIES				
Deposits from financial institutions	119,045,423	-	-	119,045,423
Deposits from customers	629,193,731	825,225,321	-	1,454,419,052
Derivative financial instruments	-	-	1,989,662	1,989,662
Debt securities issued	138,481,179	-	-	138,481,179
Interest-bearing borrowings	31,394,994	48,421,315	-	79,816,309
TOTAL	918,115,327	873,646,636	1,989,662	1,793,751,625

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Bank				
31 December 2015				
ASSETS	Fixed	Floating	Non-interest bearing	Total
	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
31 December 2014				
ASSETS	Fixed	Floating	Non-interest bearing	Total
	N'000	N'000	N'000	N'000
Cash and balances with banks	36,965,179	-	314,209,700	351,174,879
Non pledged trading assets	28,411,644	-	-	28,411,644
Derivative financial instruments	-	-	24,866,681	24,866,681
Loans and advances to banks	55,776,837	-	-	55,776,837
Loans and advances to customers	4,055,691	1,015,853,157	-	1,019,908,848
Pledged assets	85,183,353	-	-	85,183,353
Investment securities:	-	-	-	-
– Available-for-sale	106,680,114	-	39,431,796	146,111,910
– Held-to-maturity	73,884,873	-	-	73,884,873
TOTAL	390,957,691	1,015,853,157	378,508,177	1,785,319,025
LIABILITIES				
Deposits from financial institutions	134,509,662	-	-	134,509,662
Deposits from customers	586,973,211	737,827,400	-	1,324,800,611
Derivative financial instruments	-	-	1,737,791	1,737,791
Debt securities issued	-	73,155,391	-	73,155,391
Interest-bearing borrowings	97,924,452	48,421,315	-	146,345,767
TOTAL	819,407,325	859,404,106	1,737,791	1,680,549,222

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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 (note 5.2.1) and value at risk (note 5.2.2) 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.

Group

Interest sensitivity analysis - 31 December 2015

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk 100 basis points decline in rates	100 basis points increase in rates
Less than 3 months	436,387	(436,387)
6 months	(18,941)	18,941
12 months	(231,879)	231,879
	185,567	(185,567)

Interest sensitivity analysis - 31 December 2014

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk 100 basis points decline in rates	100 basis points increase in rates
Less than 3 months	1,739,693	(1,739,693)
6 months	(746,508)	746,508
12 months	(162,018)	162,018
	831,167	(831,167)

Bank

Interest sensitivity analysis - 31 December 2015

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk in rates	increase in rates
Less than 3 months	441,514	(441,514)
6 months	(51,912)	51,912
12 months	(262,821)	262,821
	126,781	(126,781)

Interest sensitivity analysis - 31 December 2014

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	Cashflow interest rate risk in rates	increase in rates
Less than 3 months	1,807,525	(1,807,525)
6 months	(1,024,497)	1,024,497
12 months	(1,205,823)	1,205,823
	(422,795)	422,795

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The table above sets out the impact on net interest income of a 100 basis points parallel fall or rise in all yields. A parallel increase in yields by 100 basis points would lead to an increase in net interest income while a parallel fall in yields by 100 basis points would lead to a decline in net interest income. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all positions will be retained and rolled over upon maturity. The figures represent the effect of movements in net interest income based on the 100 basis point shift in interest rate and subject to the current interest rate exposures. However, the effect has not taken into account the possible risk management measures undertaken by the Bank to mitigate interest rate risk. In practice, the Assets and Liability Committee, ALCO seeks proactively to change the interest rate risk profile to minimize losses and optimise net revenues. The projections also assume that interest rates on various maturities will move within similar ranges, and therefore do not reflect any potential effect on net interest income in the event that some interest rates may change and others remain unchanged.

Price sensitivity analysis on bonds and treasury bills

The table below shows the impact of likely movement in yields on the value of bonds and treasury bills. This relates to the positions held for trade and available for sale. Since an increase in yields would lead to decline in market values of bonds and treasury bills, the analysis was carried out to show the likely impact of 50 and 100 basis points increase in market yields. The impact of held for trading investments is on the income statement while the impact of available for sale instruments is on the statement of other comprehensive income.

Group

31 December 2015

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
<i>Impact on Statement of Comprehensive</i>			
Held for trading Bonds	1,717,106	(15,142)	(29,252)
Held for trading T-bills	94,898,991	(155,835)	(331,008)
	96,616,097	(170,977)	(360,260)
<i>Impact on Other Comprehensive Income</i>			
Available for sale investments	119,034,346	(858,275)	(1,774,728)
TOTAL	215,650,443	(1,029,252)	(2,134,988)

31 December 2014

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
<i>Impact on Statement of Comprehensive</i>			
Held for trading Bonds	3,786,172	(13,075)	(34,987)
Held for trading T-bills	24,546,032	(85,430)	(122,835)
	28,332,204	(98,505)	(157,822)
<i>Impact on Other Comprehensive Income</i>			
Available for sale investments	141,716,040	(626,969)	(19,767)
TOTAL	170,048,244	(725,474)	(177,589)

Bank

31 December 2015

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
<i>Impact on Statement of Comprehensive Income</i>			
Held for trading Bonds	1,717,106	(15,142)	(29,252)
Held for trading T.bills	94,898,991	(155,835)	(331,008)
	96,616,097	(170,977)	(360,260)
<i>Impact on Other Comprehensive Income</i>			
Available for sale investments	119,034,346	(858,275)	(1,774,728)
TOTAL	215,650,443	(1,029,252)	(2,134,988)

31 December 2014

	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
<i>Impact on Statement of Comprehensive Income</i>			
Held for trading Bonds	3,786,172	(13,075)	(34,987)
Held for trading T.bills	24,546,032	(85,430)	(122,835)
	28,332,204	(98,505)	(157,822)
<i>Impact on Other Comprehensive Income</i>			
Available for sale investments	109,121,466	(482,766)	(569,704)
TOTAL	137,453,670	(581,272)	(727,526)

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Foreign currency sensitivity analysis

The Group's principal foreign currency exposure is to US Dollars, as it constituted 87% of the Group's foreign currency exposure as at 31 December 2015. The table below illustrates the hypothetical sensitivity of the Group and Bank's reported profit to a 10% and 5% increase in the US Dollar/Naira exchange rates at the year end dates, assuming all other variables remain unchanged. The sensitivity rate of 10% and 5% represents the directors' assessment of a reasonable possible change based on historic volatility.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective cash flow hedge affect the fair value reserve in equity and the fair value of the hedging derivatives. For foreign exchange derivatives which are not designated hedges, movements in exchange rates impact the income statement. The impact of derivatives hedged is N11.9Bn (2014: Nil)

Group

In thousands of naira	Impact on statement of comprehensive income 31 December 2015	Impact on statement of comprehensive income 31 December 2014
Naira weakens by 10%	(17,628,934)	(15,831,162)
Naira weakens by 5%	(8,814,467)	(7,915,581)

Bank

In thousands of naira	Impact on statement of comprehensive income 31 December 2015	Impact on statement of comprehensive income 31 December 2014
Naira weakens by 10%	(13,226,081)	(14,752,255)
Naira weakens by 5%	(6,613,041)	(7,376,127)

The year end exchange rates applied in the above analysis are US Dollar 199.30 (2014:186.05). The strengthening and weakening of Naira may not produce symmetrical results depending on the proportion and nature of foreign exchange derivatives which do not qualify for hedge accounting

Foreign currency exposure risk ratio

The aggregate Foreign Exchange Risk Ratio measures the sum-total of all single currency foreign exchange open position as a percentage of Shareholders' funds. The open position is derived after taking into account qualifying off-Financial Position hedging instruments. The Bank uses an internal ratio of 20% as the highest tolerable aggregate foreign exchange risk ratio exposure. The aggregate foreign exchange risk ratio pattern of the Bank during the period were as stated below:

High	13.2%
Low	10.9%
Average	11.8%

Price sensitivity analysis on equity

A significant portion of the Group's equity position is unquoted as such no price sensitivity has been performed. However, for the unquoted equities, a sensitivity of the key valuation inputs was performed in note 4

5.2.3 The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency
GroupIn thousands of Naira
31 December 2015

	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	478,409,336	390,808,342	32,769,177	37,047,633	12,223,493	5,560,691
Investment under management	10,403,608	10,403,608	-	-	-	-
Non-pledged trading assets						
Treasury bills	50,209,443	50,209,443	-	-	-	-
Bonds	2,025,000	1,961,355	63,645	-	-	-
Equity	63,979	63,979	-	-	-	-
Derivative financial instruments	77,905,020	77,852,349	3,717	44,048	4,907	-
Loans and advances to banks	42,733,910	634,381	42,099,529	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Auto Loan	5,519,049	5,291,292	-	-	-	227,757
Credit Card	2,851,420	474,112	2,367,652	279	-	9,377
Finance Lease	1,812,908	1,274,915	537,993	-	-	-
Mortgage Loan	24,065,139	4,323,674	36,110	17,326,478	-	2,378,877
Overdraft	198,318,930	150,214,723	29,043,587	813	2,557	19,057,250
Personal Loan	20,183,608	17,420,469	443,105	-	-	2,320,034
Term Loan	779,206,139	417,826,517	354,381,107	1,470,780	-	5,527,734
Time Loan	333,873,639	131,874,807	178,602,799	122,143	2,915,589	20,358,301
Pledged assets	-	-	-	-	-	-
Treasury bills	106,934,817	103,684,044	-	-	-	3,250,773
Bonds	96,780,580	96,780,580	-	-	-	-
Investment securities	-	-	-	-	-	-
- Available for sale						
Treasury bills	28,996,006	10,436,981	-	-	-	18,559,025
Bonds	61,204,214	54,679,355	6,524,859	-	-	-
Equity	44,592,330	44,575,185	-	-	-	17,145
- Held to Maturity						
Treasury bills	7,687,281	-	-	-	-	7,687,281
Bonds	43,743,295	39,278,886	1,649,782	-	-	2,814,627
Other assets	72,160,739	68,885,884	1,429,786	782,577	-	1,062,494
	2,489,680,389	1,678,954,883	649,952,847	56,794,751	15,146,545	88,831,365
Deposits from financial institutions	72,914,421	3,835,704	49,320,402	13,902,757	3,334,043	2,521,515
Deposits from customers	1,683,244,320	1,076,584,753	469,856,575	50,513,055	11,177,254	75,112,683
Derivative financial instruments	3,077,927	-	2,420,095	54,905	4,907	598,020
Other liabilities	69,681,817	51,705,684	9,958,993	1,237,536	1,167,151	5,612,452
Debt securities issued	149,853,640	-	149,853,640	-	-	-
Interest bearing borrowings	231,467,161	181,664,842	49,731,893	-	-	70,426
	2,210,239,286	1,313,790,983	731,141,599	65,708,253	15,683,354	83,915,096
Off balance sheet exposures						
Transaction related bonds and guarantees	221,127,530	146,219,742	53,624,913	4,198,409	1,086,120	15,998,346
Guaranteed facilities	94,135,927	44,908,152	11,049,934	-	38,144,012	33,829
Clean line facilities for letters of credit and other commitments	657,586,492	496,784,587	150,301,288	7,970,810	2,390,551	139,256
	972,849,949	687,912,481	214,976,134	12,169,219	41,620,683	16,171,431

Notes to the consolidated financial statements
For the year ended 31 December 2015

**Financial instruments by currency
Group**

In thousands of Naira

31 December 2014

	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	405,014,793	334,720,873	33,190,564	14,354,481	11,542,629	11,206,246
Non-pledged trading assets						
Treasury bills	24,546,032	24,546,032	-	-	-	-
Bonds	3,786,172	3,786,172	-	-	-	-
Equity	79,440	79,440	-	-	-	-
Derivative financial instruments	24,866,681	-	24,866,681	-	-	-
Loans and advances to banks	12,435,659	145,085	-	12,290,574	-	-
Loans and advances to customers	-	-	-	-	-	-
Auto Loan	3,195,795	3,186,276	-	-	-	9,519
Credit Card	1,919,129	260,850	1,658,026	253	-	-
Finance Lease	2,732,767	1,354,013	1,108,524	-	-	270,231
Mortgage Loan	4,409,376	3,645,130	51,066	-	-	713,180
Overdraft	249,409,546	196,679,153	26,326,190	2,256	2,421	26,399,526
Personal Loan	8,099,089	6,531,858	240,072	-	-	1,327,159
Term Loan	539,981,931	244,883,197	266,269,925	12,362,262	-	16,466,547
Time Loan	300,716,808	111,981,928	168,694,753	580,322	957,015	18,502,790
Pledged assets	-	-	-	-	-	-
Treasury bills	15,125,322	13,236,528	-	-	-	1,888,794
Bonds	71,946,825	71,946,825	-	-	-	-
Investment securities	-	-	-	-	-	-
- Available for sale						
Treasury bills	92,046,032	61,656,952	-	19,567,536	-	10,821,544
Bonds	47,749,378	37,193,593	10,555,785	-	-	-
Equity	45,087,422	45,087,422	-	-	-	-
- Held to Maturity	-	-	-	-	-	-
Treasury bills	23,495,446	23,495,446	-	-	-	-
Bonds	61,833,110	49,432,542	1,551,167	1,744,468	-	9,104,933
Other assets	36,030,750	21,235,572	4,933,087	482,266	4,962	9,374,863
	1,974,507,504	1,255,084,887	539,445,840	61,384,418	12,507,027	106,085,332
Deposits from financial institutions	119,045,423	-	104,440,854	5,220,977	4,057,703	5,325,889
Deposits from customers	1,454,419,052	962,857,337	396,080,908	18,068,662	16,433,183	60,978,962
Derivative financial instruments	1,989,662	-	1,737,791	251,871	-	-
Other liabilities	20,201,802	8,417,676	8,592,050	333,528	1,133,634	1,724,914
Debt securities issued	138,481,179	-	138,481,179	-	-	-
Interest bearing borrowings	79,816,309	31,391,634	48,424,675	-	-	-
	1,813,953,427	1,002,666,647	697,757,457	23,875,038	21,624,520	68,029,765
Off balance sheet exposures						
Transaction related bonds and guarantees	165,466,393	110,544,517	46,395,843	349,724	90,246	8,086,063
Guaranteed facilities	91,373,327	23,316,732	39,498,364	-	17,954,443	10,603,788
Clean line facilities for letters of credit and other	377,152,396	31,382	367,511,575	356,957	5,353,943	3,898,539
	633,992,116	133,892,631	453,405,782	706,681	23,398,632	22,588,390

5.2.3 The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Bank

In thousands of Naira

31 December 2015

	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	405,998,636	390,808,342	10,895,411	926,274	3,287,055	81,554
Investment under management	10,403,608	10,403,608	-	-	-	-
Non-pledged trading assets	-	-	-	-	-	-
Treasury bills	50,209,443	50,209,443	-	-	-	-
Bonds	2,025,000	1,961,355	63,645	-	-	-
Equity	63,979	63,979	-	-	-	-
Derivative financial instruments	77,852,349	77,852,349	-	-	-	-
Loans and advances to banks	60,414,721	-	48,589,493	6,208,168	5,617,060	-
Loans and advances to customers	-	-	-	-	-	-
Auto Loan	5,291,292	5,291,292	-	-	-	-
Credit Card	2,812,544	474,112	2,338,153	279	-	-
Finance Lease	1,812,908	1,274,915	537,993	-	-	-
Mortgage Loan	4,359,784	4,323,674	36,110	-	-	-
Overdraft	179,261,680	150,214,723	29,043,587	813	2,557	-
Personal Loan	17,863,573	17,420,469	443,104	-	-	-
Term Loan	745,931,312	417,826,517	328,104,795	-	-	-
Time Loan	285,882,216	131,874,807	151,819,340	122,143	1,870,046	195,880
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	60,696,103	54,679,355	6,016,748	-	-	-
Equity	44,575,185	44,575,185	-	-	-	-
Held to Maturity	-	-	-	-	-	-
Treasury bills	-	-	-	-	-	-
Bonds	40,286,529	39,278,886	1,007,643	-	-	-
Other assets	69,509,746	68,885,884	623,862	-	-	-
	2,276,152,213	1,678,320,502	579,519,884	7,257,677	10,776,719	277,434
Deposits from financial institutions	63,343,785	3,835,704	56,497,608	122,988	2,806,460	81,025
Deposits from customers	1,528,213,883	1,076,584,753	443,902,655	4,549,723	3,176,591	161
Derivative financial instruments	2,416,378	-	2,416,378	-	-	-
Other liabilities	62,871,485	51,705,684	9,955,814	26,394	1,167,151	16,442
Debt securities issued	78,516,655	-	78,516,655	-	-	-
Interest bearing borrowings	302,919,987	181,664,842	121,255,145	-	-	-
	2,038,282,173	1,313,790,983	712,544,256	4,699,105	7,150,202	97,628
Off balance sheet exposures						
Transaction related bonds and guarantees	218,067,025	164,267,159	52,358,822	354,924	1,086,120	-
Guaranteed facilities	91,640,933	42,446,987	11,049,934	-	38,144,012	-
Clean line facilities for letters of credit and other commitments	600,895,192	78,087	597,979,521	483,607	2,214,721	139,256
	910,603,149	206,792,233	661,388,277	838,531	41,444,853	139,256

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For the year ended 31 December 2015

Financial instruments by currency

Bank

In thousands of Naira

31 December 2014

	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	351,174,879	337,434,865	7,164,550	2,218,668	3,697,876	658,920
Non-pledged trading assets						
Treasury bills	24,546,032	24,546,032	-	-	-	-
Bonds	3,786,172	3,786,172	-	-	-	-
Equity	79,440	79,440	-	-	-	-
Derivative financial instruments	24,831,145	-	24,831,145	-	-	-
Loans and advances to banks	55,776,837	145,085	55,631,752	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Auto Loan	3,186,277	3,186,277	-	-	-	-
Credit Card	1,836,831	260,850	1,575,728	253	-	-
Finance Lease	2,462,536	1,354,013	1,108,523	-	-	-
Mortgage Loan	3,696,197	3,645,130	51,067	-	-	-
Overdraft	220,076,668	196,679,152	23,392,838	2,256	2,422	-
Personal Loan	6,771,929	6,531,859	240,070	-	-	-
Term Loan	507,949,921	244,883,197	263,066,724	-	-	-
Time Loan	273,928,489	111,981,926	160,817,986	47,893	957,015	123,669
Pledged assets						
Treasury bills	13,236,528	13,236,528	-	-	-	-
Bonds	71,946,825	71,946,825	-	-	-	-
Investment securities	-	-	-	-	-	-
Available for sale	-	-	-	-	-	-
Treasury bills	61,656,952	61,656,952	-	-	-	-
Bonds	45,543,884	37,193,593	8,350,291	-	-	-
Equity	45,052,274	45,052,274	-	-	-	-
Held to Maturity	-	-	-	-	-	-
Treasury bills	15,963,009	15,963,009	-	-	-	-
Bonds	57,921,864	56,964,979	956,885	-	-	-
Other assets	30,513,159	25,625,988	4,851,490	29,966	4,962	753
	1,821,937,848	1,262,154,147	552,039,050	2,299,036	4,662,275	783,342
Deposits from financial institutions	134,509,662	-	133,632,208	47,968	711,685	117,801
Deposits from customers	1,324,800,611	944,366,864	370,580,896	5,897,079	3,955,772	-
Derivative financial instruments	1,737,791	-	1,737,791	-	-	-
Other liabilities	15,678,189	8,713,010	5,501,180	333,528	1,130,471	-
Debt securities issued	73,155,391	-	73,155,391	-	-	-
Interest bearing borrowings	146,345,767	31,391,634	114,954,133	-	-	-
	1,696,227,411	984,471,508	699,561,599	6,278,575	5,797,928	117,801
Off balance sheet exposures						
Transaction related bonds and guarantees	145,831,160	110,544,517	34,846,673	349,724	90,246	-
Guaranteed facilities	72,221,845	23,316,732	30,892,720	-	17,954,443	57,950
Clean line facilities for letters of credit and other	372,652,653	31,382	366,851,692	356,957	5,353,943	58,679
	590,705,658	133,892,631	432,591,085	706,681	23,398,632	116,629

Notes to the consolidated financial statements
For the year ended 31 December 2015

Liquidity risk management

The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

The amounts in the table below have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than one month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks and debt securities issued by federal government, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

Notes to the consolidated financial statements
For the year ended 31 December 2015

5.3.1 Residual contractual maturities of financial assets and liabilities

Group 31 December 2015	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
<i>In thousands of Naira</i>							
Cash and balances with banks	478,409,336	478,409,336	228,454,519	-	-	-	249,954,817
Investment under management	10,403,608	10,494,011	10,494,011	-	-	-	-
Non-pledged trading assets							
Treasury bills	50,209,443	51,656,952	7,422,310	9,865,726	34,368,916	-	-
Bonds	2,025,000	3,164,736	124,583	5,988	163,571	1,909,285	961,309
Derivative financial instruments	77,905,020	77,905,020	5,371,017	3,516,433	2,244,002	66,773,568	-
Loans and advances to banks	42,733,910	43,338,836	552,395	-	42,695,369	91,072	-
Loans and advances to customers							
Auto Loan	5,519,049	5,581,949	28,908	63,776	287,331	5,201,934	-
Credit Card	2,851,420	2,882,896	803,177	276,313	101,834	1,701,572	-
Finance Lease	1,812,908	1,821,023	56,183	182,080	362,516	1,220,244	-
Mortgage Loan	24,065,139	24,163,152	2,180	-	106,732	856,528	23,197,712
Overdraft	198,318,930	213,485,919	147,864,068	16,685,613	48,936,238	-	-
Personal Loan	20,183,608	20,393,835	139,043	139,053	429,543	19,671,488	14,708
Term Loan	779,206,139	790,496,163	67,248,846	9,265,310	19,751,013	408,178,583	286,052,411
Time Loan	333,873,639	335,494,050	240,187,156	34,055,604	60,381,145	869,502	643
Pledged assets							
Treasury bills	106,934,817	110,634,759	49,586,114	27,376,779	33,671,866	-	-
Bonds	96,780,580	135,824,699	704,048	3,838,702	15,332,749	-	115,949,201
Investment securities							
Available for sale							
Treasury bills	28,996,006	29,103,866	15,298,622	3,309,940	10,495,304	-	-
Bonds	61,204,214	120,505,529	3,081,071	449,198	3,530,269	45,556,113	67,888,878
Held to Maturity							
Treasury bills	7,687,281	8,001,573	1,574,323	2,140,074	4,287,176	-	-
Bonds	43,743,295	55,267,935	1,017,818	2,288,727	2,272,677	39,389,385	10,299,328
Other assets	72,160,739	71,674,061	29,775,314	39,379,530	2,519,217	-	-
	2,445,024,081	2,590,300,300	809,785,706	152,838,846	281,937,468	591,419,274	754,319,007
Deposits from financial institutions	72,914,421	69,670,704	67,440,977	2,229,727	-	-	-
Deposits from customers	1,683,244,320	1,684,671,964	1,550,285,999	77,632,305	56,725,519	28,141	-
Derivative financial instruments	3,077,927	3,077,927	2,450,044	627,883	-	-	-
Other liabilities	65,277,321	65,277,322	65,277,322	-	-	-	-
Debt securities issued	149,853,640	200,147,025	2,528,618	3,687,050	6,215,669	104,308,638	83,407,050
Interest bearing borrowings	231,467,161	241,925,345	2,317,162	3,802,268	6,743,263	55,560,644	173,502,008
	2,205,834,790	2,264,770,287	1,690,300,122	87,979,233	69,684,451	159,897,423	256,909,058
Gap (asset - liabilities)	239,189,291	325,530,013	(880,514,416)	64,859,613	212,253,017	431,521,851	497,409,949
Cumulative liquidity gap			(880,514,416)	(815,654,803)	(603,401,786)	(171,879,935)	325,530,013
Off-balance sheet							
Transaction related bonds and guarantees	221,127,530	221,127,530	109,959,885	13,220,643	49,030,767	28,395,635	20,520,600
Guaranteed facilities	94,135,927	94,135,927	10,271,557	6,217,096	9,469,462	16,627,248	51,550,564
Clean line facilities for letters of credit and other commitments	657,586,492	657,586,492	374,032,037	111,954,136	28,253,794	143,346,525	-
	972,849,949	972,849,949	494,263,479	131,391,875	86,754,023	188,369,408	72,071,164

Notes to the consolidated financial statements
For the year ended 31 December 2015

Group 31 December 2014	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
<i>In thousands of Naira</i>							
Cash and balances with banks	405,014,793	405,014,793	147,422,860	-	-	-	257,591,933
Non-pledged trading assets							-
Treasury bills	24,546,032	25,710,426	18,445,882	1,426,320	5,838,224	-	-
Bonds	3,786,172	4,430,376	45,694	3,701,616	53,243	629,823	-
Derivative financial instruments	24,866,681	24,866,681	11,123,891	2,364,449	11,378,341	-	-
Loans and advances to banks	12,435,659	12,565,313	26,149	12,539,164	-	-	-
Loans and advances to customers							
Auto Loan	3,195,795	3,236,214	17,178	37,150	117,316	3,064,570	-
Credit Card	1,919,129	1,953,708	1,865,557	-	14,993	73,158	-
Finance Lease	2,732,767	2,752,076	251,990	164,902	41,782	2,293,402	-
Mortgage Loan	4,409,376	4,471,262	-	72,101	122,572	1,097,538	3,179,051
Overdraft	249,409,546	277,175,321	207,159,667	32,588,846	37,400,530	26,278	-
Personal Loan	8,099,089	8,195,721	364,621	449,882	690,771	6,596,360	94,087
Term Loan	539,981,931	576,918,795	118,622,725	31,739,205	22,388,605	274,224,727	129,943,533
Time Loan	300,716,808	317,770,012	225,801,441	39,717,239	48,458,630	3,791,933	769
Pledged assets							
Treasury bills	15,125,322	15,771,114	10,950,000	2,260,000	2,561,114	-	-
Bonds	71,946,825	142,341,220	-	2,960,902	2,960,902	23,687,212	112,732,204
Investment securities							
Available for sale							
Treasury bills	92,046,032	63,782,166	16,303,382	43,575,593	3,903,191	-	-
Bonds	47,749,378	51,218,215	100,608	38,012,504	406,262	12,631,528	67,313
Held to Maturity							
Treasury bills	23,495,446	16,528,059	4,507,169	11,628,437	392,453	-	-
Bonds	61,833,110	83,995,499	1,187,545	10,518,762	3,817,009	47,754,306	20,717,877
Other assets	36,030,750	36,030,750	22,966,686	-	13,064,064	-	-
	1,929,340,641	2,074,727,721	787,163,045	233,757,071	153,610,001	375,870,834	524,326,767
Deposits from financial institutions	119,045,423	120,289,784	120,205,261	84,523	-	-	-
Deposits from customers	1,454,419,052	1,463,332,471	1,350,067,610	50,697,481	62,567,380	-	-
Derivative financial instruments	(1,989,662)	1,989,662	1,989,662	-	-	-	-
Other liabilities	20,201,802	20,201,802	14,828,024	5,373,778	-	-	-
Debt securities issued	138,481,179	196,231,586	-	3,441,925	5,831,737	102,212,149	84,745,775
Interest bearing borrowings	79,816,309	86,584,835	1,644,012	1,955,389	4,482,437	66,614,293	11,888,704
	1,809,974,103	1,888,630,140	1,488,734,569	61,553,096	72,881,554	168,826,442	96,634,479
Gap (asset - liabilities)	119,366,538	186,097,581	(701,571,526)	172,203,975	80,728,447	207,044,392	427,692,288
Cumulative liquidity gap			(701,571,526)	(529,367,551)	(448,639,104)	(241,594,713)	186,097,575
Off-balance sheet							
Transaction related bonds and guarantees	165,466,393	165,466,393	23,327,260	12,814,843	22,637,392	24,843,232	81,843,666
Guaranteed facilities	91,373,327	91,373,327	11,956,468	11,175,156	24,614,115	14,968,793	28,658,795
Clean line facilities for letters of credit and other commitments	377,152,396	377,152,396	216,360,947	95,953,913	64,729,400	108,136	-
	633,992,116	633,992,116	251,644,675	119,943,912	111,980,907	39,920,161	110,502,461

Notes to the consolidated financial statements
For the year ended 31 December 2015

5.3.1 Residual contractual maturities of financial assets and liabilities

Bank 31 December 2015 <i>In thousands of Naira</i>	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	405,998,636	401,816,737	153,634,261	-	-	-	248,182,476
Investment under management	10,403,608	10,494,011	10,494,011	-	-	-	-
Non-pledged trading assets							
Treasury bills	50,209,443	51,656,952	7,422,310	9,865,726	34,368,916	-	-
Bonds	2,025,000	3,164,736	124,583	5,988	163,571	1,909,285	961,309
Derivative financial instruments	77,852,349	77,852,349	5,318,346	3,516,433	2,244,002	66,773,568	-
Loans and advances to banks	60,414,721	60,604,713	10,074,577	10,506,757	40,023,379		
Loans and advances to customers							
Auto Loan	5,291,292	5,354,193	28,909	63,776	287,330	4,974,178	-
Credit Card	2,812,544	2,844,021	803,177	276,313	62,959	1,701,572	-
Finance Lease	1,812,908	1,821,023	56,182	182,080	362,516	1,220,244	-
Mortgage Loan	4,359,784	4,457,798	2,181	-	106,732	856,528	3,492,357
Overdraft	179,261,680	193,682,273	147,864,068	16,685,613	29,132,592	-	-
Personal Loan	17,863,573	18,073,801	139,043	139,052	429,544	17,351,454	14,708
Term Loan	745,931,312	756,385,987	67,248,846	9,265,310	19,751,013	374,068,077	286,052,411
Time Loan	285,882,216	287,502,627	240,187,156	34,055,604	12,389,723	869,501	643
Pledged assets							
Treasury bills	103,684,044	107,383,986	49,586,114	27,126,779	30,671,093	-	-
Bonds	96,780,580	169,457,311	704,048	3,800,951	15,294,999	33,708,112	115,949,201
Investment securities							
Available for sale							
Treasury bills	10,436,981	10,544,841	5,981,841	-	4,563,000	-	-
Bonds	60,696,103	112,555,700	2,839,003	1,009,124	4,093,208	41,448,736	63,165,629
Held to Maturity							
Treasury bills							
Bonds	40,286,529	64,794,900	487,704	3,088,205	11,416,425	29,203,910	20,598,656
Other assets	69,509,746	69,509,746	27,610,999	-	21,963,481	19,935,266	-
	2,231,513,049	2,409,957,705	730,607,359	119,587,711	227,324,483	594,020,431	738,417,390
Deposits from financial institutions	63,343,785	63,343,785	63,343,785				
Deposits from customers	1,528,213,883	1,528,213,884	1,404,409,821	67,792,437	55,983,485	28,141	
Derivative financial instruments	2,416,378	2,416,378	1,842,014	574,364	-	-	-
Other liabilities	62,871,485	62,871,485	62,871,485	-	-	-	-
Debt securities issued	78,516,655	120,096,325	-	3,687,605	3,687,605	112,721,115	-
Interest bearing borrowings	302,919,987	304,300,172	5,384,041	5,929,762	11,546,789	131,499,405	149,940,175
	2,038,282,173	2,081,242,029	1,537,851,146	77,984,168	71,217,879	244,248,661	149,940,175
Gap (asset - liabilities)	193,230,876	328,715,676	(807,243,787)	41,603,543	156,106,604	349,771,770	588,477,215
Cumulative liquidity gap			(807,243,787)	(765,640,244)	(609,533,640)	(259,761,870)	328,715,345
Off balance-sheet							
Transaction related bonds and guarantees	218,067,025	218,067,025	9,862,204	13,220,643	49,030,766	28,395,636	117,557,776
Guaranteed facilities	91,640,933	91,640,933	21,631,289	6,217,096	9,469,462	16,627,248	37,695,838
Clean line facilities for letters of credit and other commitments	600,895,192	600,895,192	317,340,737	111,954,136	28,253,794	143,346,525	-
	910,603,150	910,603,150	348,834,230	131,391,875	86,754,022	188,369,409	155,253,614

Notes to the consolidated financial statements
For the year ended 31 December 2015

Bank 31 December 2014 <i>In thousands of Naira</i>	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	351,174,879	348,428,224	92,824,863	-	-	-	255,603,361
Non-pledged trading assets							
Treasury bills	24,546,032	25,710,426	18,445,882	1,426,320	5,838,224	-	-
Bonds	3,786,172	5,040,126	45,693	3,701,616	53,244	629,823	609,750
Derivative financial instruments	24,831,145	24,831,145	11,123,891	2,328,913	11,378,341	-	-
Loans and advances to banks	55,786,837	55,882,570	9,315,720	18,681,814	27,885,036	-	-
Loans and advances to customers							
Auto Loan	3,186,277	3,226,646	16,126	34,758	113,010	3,062,752	-
Credit Card	1,836,831	1,870,919	1,782,768	-	14,993	73,158	-
Finance Lease	2,462,536	2,480,457	170,505	96,997	1,039	2,211,916	-
Mortgage Loan	3,696,197	3,750,249	-	-	-	895,654	2,854,595
Overdraft	220,076,668	230,582,559	182,460,726	20,562,662	27,532,892	26,279	-
Personal Loan	6,771,929	6,865,012	98,479	63,976	238,329	6,370,139	94,088
Term Loan	507,949,921	513,183,052	83,887,643	26,905,761	14,332,866	269,391,284	118,665,498
Time Loan	273,954,489	274,956,092	204,633,543	31,599,981	34,929,866	3,791,933	769
Pledged assets							
Treasury bills	13,236,528	13,771,114	8,950,000	2,260,000	2,561,114	-	-
Bonds	71,946,825	142,341,220	-	2,960,902	2,960,902	23,687,212	112,732,204
Investment securities							
Available for sale							
Treasury bills	61,656,952	63,782,166	16,303,382	43,575,593	3,903,191	-	-
Bonds	45,543,884	51,218,214	100,607	38,012,504	406,262	12,631,528	67,313
Held to Maturity							
Treasury bills	15,963,009	16,528,059	4,507,169	11,628,437	392,453	-	-
Bonds	57,921,864	83,995,500	1,187,545	10,518,762	3,817,009	47,754,306	20,717,878
Other assets	30,513,159	30,513,159	19,898,971	-	10,614,188	-	-
	1,776,842,134	1,898,956,909	655,753,513	214,358,996	146,972,959	370,525,984	511,345,456
Deposits from financial institutions	134,509,662	135,915,668	135,820,165	95,503	-	-	-
Deposits from customers	1,324,800,611	1,332,919,663	1,230,872,383	45,045,689	57,001,591	-	-
Derivative financial instruments	1,737,791	1,737,791	1,737,791	-	-	-	-
Other liabilities	15,678,189	15,678,189	14,488,882	1,189,307	-	-	-
Debt securities issued	73,155,391	119,165,025	-	3,441,925	3,441,925	27,535,400	84,745,775
Interest bearing borrowings	146,345,767	158,756,077	3,014,347	3,585,269	8,218,692	122,139,447	21,798,322
	1,696,227,411	1,764,172,413	1,385,933,568	53,357,693	68,662,208	149,674,847	106,544,097
Gap (asset - liabilities)	80,614,723	134,784,496	(730,180,055)	161,001,303	78,310,751	220,851,137	404,801,359
Cumulative liquidity gap			(730,180,055)	(569,178,752)	(490,868,001)	(270,016,864)	134,784,495
Off balance-sheet							
Transaction related bonds and guarantees	145,831,160	145,831,160	14,923,004	8,079,588	16,163,390	24,821,512	81,843,666
Guaranteed facilities	72,221,845	72,221,845	5,031,916	4,173,263	22,786,732	12,044,944	28,184,990
Clean line facilities for letters of credit and other commitments	372,652,653	372,652,653	215,874,910	92,822,023	63,847,583	108,137	-
	590,705,658	590,705,658	235,829,830	105,074,874	102,797,705	36,974,593	110,028,656

5.3.2 Financial instruments below and above 1 year's maturity

Group	December 2015			December 2014		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<i>In thousands of Naira</i>						
Cash and balances with banks	228,454,519	249,954,817	478,409,336	147,422,860	257,591,933	405,014,793
Investments under management	10,403,608	-	10,403,608	-	-	-
Non pledged trading assets						
Treasury bills	50,209,443		50,209,443	24,546,032	-	24,546,032
Bonds		2,025,000	2,025,000	3,515,700	270,472	3,786,172
Derivative financial instruments	11,131,452	66,773,568	77,905,020	24,866,681	-	24,866,681
Loans and advances to banks	42,733,910		42,733,910	12,435,659		12,435,659
Loans and advances to customers						
Auto Loan	375,779	5,143,269	5,519,048	169,509	3,026,286	3,195,795
Credit Card	1,168,446	1,682,974	2,851,420	1,847,001	72,128	1,919,129
Finance Lease	597,611	1,215,297	1,812,908	454,958	2,277,808	2,732,767
Mortgage Loan	1,057,524	23,007,615	24,065,139	193,022	4,216,354	4,409,376
Overdraft	198,318,930	-	198,318,930	249,389,180	20,366	249,409,546
Personal Loan	699,698	19,483,910	20,183,608	1,497,008	6,602,081	8,099,089
Term Loan	95,500,227	683,705,912	779,206,139	140,806,229	399,175,702	539,981,931
Time Loan	333,013,239	860,400	333,873,639	296,925,761	3,791,047	300,716,808
Pledged assets						
Treasury bills	106,934,817		106,934,817	15,125,322	-	15,125,322
Bonds	-	96,780,580	96,780,580	-	71,946,825	71,946,825
Investment securities						
Available for sale						
Treasury bills	28,996,006		28,996,006	92,046,032	-	92,046,032
Bonds	2,013,715	59,190,499	61,204,214	36,407,716	11,341,662	47,749,378
Held to Maturity						
Treasury bills	7,687,281	-	7,687,281	23,495,446	-	23,495,446
Bonds	9,735,814	34,007,481	43,743,295	9,473,538	52,359,572	61,833,110
Other assets	72,160,739	-	72,160,739	36,030,750	-	36,030,750
	1,201,192,758	1,243,831,322	2,445,024,080	1,116,648,404	812,692,236	1,929,340,641
Deposits from financial institutions	72,914,421	-	72,914,421	119,045,423	-	119,045,423
Deposits from customers	1,683,216,179	28,141	1,683,244,320	1,308,794,239	145,624,813	1,454,419,052
Derivative financial instruments	3,077,927	-	3,077,927	1,989,662	-	1,989,662
Debt securities issued		149,853,640	149,853,640	-	138,481,179	138,481,179
Other liabilities	65,277,321		65,277,321	20,201,802	-	20,201,802
Interest-bearing borrowings	18,238,703	213,228,458	231,467,161	10,898,495	68,917,814	79,816,309
	1,842,724,551	363,110,239	2,205,834,790	1,460,929,621	353,023,806	1,813,953,427

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Notes to the consolidated financial statements
For the year ended 31 December 2015

Bank	December 2015			December 2014		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<i>In thousands of Naira</i>						
Cash and balances with banks	157,816,159	248,182,477	405,998,636	95,571,518	255,603,361	351,174,879
Investment under management	10,403,608	-	10,403,608	-	-	-
Non pledged trading assets						
Treasury bills	50,209,443	-	50,209,443	24,546,032	-	24,546,032
Bonds	42,554	1,982,446	2,025,000	3,786,172	-	3,786,172
Derivative financial instruments	11,078,781	66,773,568	77,852,349	24,831,145	-	24,831,145
Loans and advances to banks	60,414,721		60,414,721	55,653,199	123,638	55,776,837
Loans and advances to customers						
Auto Loan	375,779	4,915,513	5,291,292	161,800	3,024,477	3,186,277
Credit Card	1,129,571	1,682,973	2,812,544	1,764,703	72,128	1,836,831
Finance Lease	597,611	1,215,297	1,812,908	265,798	2,196,738	2,462,536
Mortgage Loan	107,693	4,252,091	4,359,784	-	3,696,197	3,696,197
Overdraft	179,261,680	-	179,261,680	220,056,302	20,366	220,076,668
Personal Loan	699,698	17,163,875	17,863,573	395,466	6,376,463	6,771,929
Term Loan	95,315,746	650,615,566	745,931,312		383,159,697	383,159,697
Time Loan	285,021,816	860,400	285,882,216	270,137,442	3,791,047	273,928,489
Pledged assets						
Treasury bills	103,684,044		103,684,044	13,236,528	-	13,236,528
Bonds	11,303,268	85,477,313	96,780,580	-	71,946,825	71,946,825
Investment securities						
Available for sale						
Treasury bills	10,436,981	-	10,436,981	61,656,952	-	61,656,952
Bonds	1,505,605	59,190,499	60,696,103	36,407,716	9,136,168	9,136,168
Held to Maturity						
Treasury bills	-	-	-	15,963,009	-	15,963,009
Bonds	9,126,791	31,159,738	40,286,529	9,473,541	48,448,324	57,921,864
Other assets	49,574,480	19,935,266	69,509,746	30,513,159	-	30,513,159
	1,038,106,029	1,193,407,022	2,231,513,049	864,420,482	787,595,429	1,652,015,911
Deposits from financial institutions	63,343,785	-	63,343,785	134,509,662	-	134,509,662
Deposits from customers	1,528,213,883	-	1,528,213,883	1,324,500,611	300,000	1,324,800,611
Derivative financial instruments	2,416,378	-	2,416,378	1,737,791	-	1,737,791
Debt securities issued	7,375,210	71,141,445	78,516,655	6,883,850	66,271,541	73,155,391
Other liabilities	62,871,485	-	62,871,485	15,678,189	-	15,678,189
Interest-bearing borrowings	1,008,489	301,911,498	302,919,987	11,573,248	134,772,519	146,345,767
	1,665,229,230	373,052,943	2,038,282,173	1,494,883,350	201,344,060	1,696,227,411

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, Operational, 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.

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>				
Tier 1 capital				
Ordinary share capital	14,463,986	11,441,460	14,463,986	11,441,460
Share premium	197,974,816	161,036,211	197,974,816	161,036,211
Retained earnings	51,730,369	34,139,453	49,459,102	36,499,779
Other reserves	99,732,330	67,262,761	98,531,000	65,178,336
Non-controlling interests	3,899,966	3,530,843	-	-
	367,801,467	277,410,728	360,428,904	274,155,786
Add/(Less):				
Fair value reserve for available-for-sale	(13,268,889)	(9,881,402)	(13,291,054)	(9,833,418)
Foreign Currency Translational reserves	5,570,719	3,710,648	-	-
Other reserves	(554,898)	(295,419)	(527,331)	(295,419)
Total Tier 1	359,548,400	270,944,555	346,610,519	264,026,949
Add/(Less):				
50% Investments in subsidiaries	-	-	(22,719,623)	(20,060,286)
Deferred tax assets	(10,845,612)	(10,881,984)	(10,180,832)	(10,128,537)
Regulatory risk reserve	(39,625,042)	(21,205,031)	(37,826,382)	(17,001,981)
Intangible assets	(6,440,616)	(5,592,991)	(4,977,908)	(4,436,814)
Adjusted Tier 1	302,637,130	233,264,549	270,905,774	212,399,331
Tier 2 capital				
Debt securities issued	78,516,655	66,853,428	78,516,655	66,006,738
Fair value reserve for available-for-sale securities	13,268,889	9,881,402	13,291,054	9,833,418
Foreign currency translational reserves	(5,570,719)	(3,710,648)	-	-
Other reserves	554,898	295,419	527,331	295,419
50% Investments in subsidiaries	-	-	(22,719,623)	(20,060,286)
Total Tier 2	86,769,723	73,319,601	69,615,417	56,075,289
Total regulatory capital	389,406,852	306,584,150	340,521,191	268,474,620
Risk-weighted assets	1,996,724,469	1,686,979,582	1,887,612,134	1,560,034,376
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	20%	18%	18%	17%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15%	14%	14%	14%

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For the year ended 31 December 2015

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;

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For the year ended 31 December 2015

Material total assets and liabilities

In thousands of Naira

	Group December 2015	Group December 2014
Other Assets	82,527,825	56,310,620
Derivatives financial instruments	-	24,866,681
Deffered tax (net)	10,845,612	10,881,984
Assets Held for Sale	179,843	23,438,484
Goodwill	681,007	681,007
	94,234,287	116,178,776
Derivative financial instruments	-	1,989,662
Other liabilities	69,355,950	21,689,079
Debt Securities issued	149,853,640	138,481,179
Interest-bearing loans and borrowings	231,467,161	79,816,309
Deffered tax	266,644	59,038
Retirement Benefit Obligation	5,567,800	3,269,100
Total liabilities	456,511,195	245,304,367

Material revenue and expenses

	Group December 2015	Group December 2014
Revenue derived from external customers		
Fair Value on Assets held for sale	-	750,000
Interest expense		
Interest expense on Eurobond	(12,470,957)	(8,768,860)

7a Operating segments (Continued)

31 December 2015

In thousands of Naira

	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	142,760,590	119,234,984	28,183,640	47,225,016		337,404,230	-	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	-	337,404,230
Interest Income	72,223,695	86,725,818	19,618,182	29,235,074	-	207,802,768	-	207,802,768
Interest expenses	(34,401,407)	(36,412,832)	(7,314,258)	(11,821,664)	(12,470,957)	(102,421,118)	-	(102,421,118)
Impairment Losses	(9,218,707)	(2,558,182)	(442,433)	(2,005,393)	-	(14,224,715)	-	(14,224,715)
Profit/(Loss) on ordinary activities before taxation	60,008,361	31,758,802	(5,097,804)	839,717	(12,470,957)	75,038,119	-	75,021,420
Share of profit from associate	-	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	(9,169,344)	-	(9,169,344)
Pre-tax loss on re-measurement of assets of disposal group	-	-	-	-	-	-	-	-
Profit after tax						65,868,775	-	65,868,775
Other segment information:								
Depreciation and amortisation	(549,825)	(2,036,605)	(3,633,139)	(3,878,760)	-	(10,098,330)	-	(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	-	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	-	2,497,095,864
Unallocated segment assets					94,234,287	94,234,287	-	94,234,287
Total assets		1,310,332,904	87,691,344	88,723,007	94,234,287	2,591,330,151	-	2,591,330,151
Deposits from customers	457,760,677	678,870,157	202,449,439	344,164,047	-	1,683,244,320	-	1,683,244,320
Segment liabilities	480,542,909	712,656,760	212,525,120	361,292,703		1,767,017,492	-	1,767,017,492
Unallocated segment liabilities					456,511,195	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	-	2,223,528,687
Net assets	(480,542,909)	597,676,144	(124,833,776)	(272,569,696)	(362,276,908)	367,801,464	-	367,801,464

31 December 2014
Operating segments (Continued)*In thousands of Naira*

	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	95,219,332	95,326,092	18,563,990	35,358,155	750,000	245,217,569	51,003	245,268,572
Derived from other business segments	(1,466)	313	750	403	-	-	-	-
Total Revenue	<u>95,217,866</u>	<u>95,326,405</u>	<u>18,564,740</u>	<u>35,358,558</u>	<u>750,000</u>	<u>245,217,569</u>	<u>51,003</u>	<u>245,268,572</u>
Interest income	62,883,413	78,467,639	15,739,751	19,827,420	-	176,918,223	-	176,918,223
Interest expenses	(27,281,898)	(28,863,963)	(5,632,460)	(6,353,900)	(8,768,860)	(76,901,081)	-	(76,901,081)
Impairment Losses	(10,086,004)	(1,558,508)	(4,655)	(3,103)	-	(11,652,271)	-	(11,652,271)
Profit/(Loss) on ordinary activities before taxation	35,657,154	31,039,955	(9,145,850)	2,489,891	(8,018,860)	52,022,290	(87,267)	51,935,023
Share of profit from associate	-	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	(8,958,811)	-	(8,958,811)
Pre-tax loss on re-measurement of assets of disposal group	-	-	-	-	-	-	-	-
Profit after tax	-	-	-	-	-	<u>43,063,479</u>	<u>(87,267)</u>	<u>42,976,212</u>
Other segment information:								
Depreciation and amortisation	(5,115,004)	(3,796,657)	(199,957)	(126,555)	-	-	-	(9,238,173)
Impairment charge for the period	(5,282,414)	(3,485,412)	(1,826,906)	(344,517)	(713,021)	(11,652,271)	-	(11,652,271)
Assets and liabilities:								
Loans and Advances to customers	<u>510,246,867</u>	<u>538,757,608</u>	<u>29,730,334</u>	<u>31,729,631</u>	-	<u>1,110,464,441</u>	-	<u>1,110,464,441</u>
Goodwill	-	-	-	-	681,007	-	-	681,007
Tangible segment assets	1,043,203,989	849,266,149	46,299,060	49,412,565	-	1,988,181,764	-	1,988,181,764
Unallocated segment assets	-	-	-	-	116,178,776	116,178,776	-	116,178,776
Total assets	<u>1,043,203,989</u>	<u>849,266,149</u>	<u>46,299,060</u>	<u>49,412,565</u>	<u>116,178,776</u>	<u>2,104,360,539</u>	-	<u>2,104,360,539</u>
Deposits from customers	304,486,820	637,907,355	174,641,257	337,383,621	-	1,454,419,052	-	1,454,419,052
Segment liabilities	316,821,648	701,564,665	192,116,217	371,142,914	-	1,581,645,444	-	1,581,645,444
Unallocated segment liabilities	-	-	-	-	245,304,367	245,304,367	-	245,304,367
Total liabilities	<u>316,821,648</u>	<u>701,564,665</u>	<u>192,116,217</u>	<u>371,142,914</u>	<u>245,304,367</u>	<u>1,826,949,811</u>	-	<u>1,826,949,811</u>
Net assets	<u>726,382,341</u>	<u>147,701,485</u>	<u>(145,817,157)</u>	<u>(321,730,348)</u>	<u>(129,806,599)</u>	<u>277,410,729</u>	-	<u>277,410,729</u>

Notes to the consolidated financial statements
For the year ended 31 December 2015

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

31 December 2015

In thousands of Naira

	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Discontinued Operations	Total
Derived from external customers	302,061,975	28,852,495	6,489,760	337,404,230	-	337,404,230
Derived from other segments				-	-	-
Total Revenue	302,061,975	28,852,495	6,489,760	337,404,230	-	337,404,230
Interest Income	184,047,834	21,084,615	2,670,320	207,802,769		207,802,769
Impairment Losses	(13,287,613)	(937,101)	-	(14,224,714)		(14,224,714)
Interest expense	(94,001,878)	(5,626,676)	(2,792,564)	(102,421,118)	-	(102,421,118)
Fee and commission expenses	-		(151,118)	(151,118)	-	(151,118)
Operating Income	208,060,097	23,225,819	3,697,195	234,983,112	-	234,983,112
Profit/(loss) before income tax	65,169,612	7,279,608	2,588,897	75,038,117	-	75,038,117
Assets and liabilities:						
Loans and Advances to customers	1,243,215,309	79,853,950	42,761,573	1,365,830,832	-	1,365,830,832
Non current assets	70,878,292	8,570,472	321,779	79,770,543	-	79,770,543
Goodwill	-	681,007	-	-	-	-
Total assets	2,408,096,499	110,273,966	72,959,686	2,591,330,151	-	2,591,330,151
Deposit from customers	1,528,213,883	129,457,229	25,573,208	1,683,244,320		1,683,244,320
Total liabilities	2,047,932,763	104,726,423	70,869,501	2,223,528,687	-	2,223,528,687
Net assets	360,163,736	5,547,543	2,090,186	367,801,464	-	367,801,464

Notes to the consolidated financial statements
For the year ended 31 December 2015

31 December 2014	Nigeria	Rest of Africa	Europe	Total continuing operations	Discontinued operations	Total
Derived from external customers	206,943,083	28,927,881	9,346,606	245,217,570	51,003	245,268,573
Derived from other segments	-	-	-	-	-	-
Total Revenue	206,943,083	28,927,881	9,346,606	245,217,570	51,003	245,268,573
Interest Income	159,578,184	15,103,265	2,236,775	176,918,224	-	176,918,224
Impairment Losses	(10,609,300)	(1,042,970)	-	(11,652,270)	-	(11,652,270)
Interest expense	(66,508,654)	(5,672,842)	(4,719,585)	(76,901,081)	-	(76,901,082)
Fee and commission expenses	-	(9)	(36,754)	(36,763)	-	(36,764)
Operating Income	140,434,429	23,255,039	4,627,021	168,316,489	51,003	168,330,727
Profit/(loss) before income tax	43,235,936	7,542,190	1,244,164	52,022,290	(87,267)	51,935,023
Assets and liabilities:						
Loans and Advances to customers	1,019,908,848	63,934,168	26,621,425	1,110,464,441	-	1,110,464,441
Non current assets	68,597,141	6,450,166	205,392	75,252,698	-	75,252,698
Goodwill	-	681,007	-	-	-	-
Total assets	1,801,096,282	106,205,635	197,058,621	2,104,360,538	-	2,104,360,538
Deposit from customers	1,324,800,611	106,707,674	22,910,767	1,454,419,052	-	1,454,419,052
Total liabilities	1,524,671,322	121,582,200	197,058,621	1,826,949,811	-	1,826,949,811
Net assets	276,424,960	(15,376,565)	197,058,621	277,410,727	-	277,410,727

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 31 December 2015 and for the year ended 31 December 2014. 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.

Notes to the consolidated financial statements
For the year ended 31 December 2015

8 Interest income*In thousands of Naira*

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Interest income				
Cash and balances with banks	3,694,903	3,216,457	2,843,315	2,341,290
Loans and advances to banks and customers	159,753,483	136,389,429	142,481,073	123,618,114
Investment securities				
-Available for sale	14,686,495	4,501,102	13,608,530	4,270,639
-Held for trading	13,005,140	8,230,021	13,005,140	7,416,779
-Held to maturity	16,662,747	24,581,214	12,109,776	21,931,362
	207,802,768	176,918,223	184,047,834	159,578,184
Interest expense				
Deposit from financial institutions	8,884,392	4,586,282	6,939,364	3,393,599
Deposit from customers	79,630,442	63,530,991	71,578,103	58,742,291
Securities dealing	37,991	7,927	-	-
Interest bearing borrowings and other borrowed funds	13,868,293	8,775,880	15,484,411	8,775,173
	102,421,118	76,901,080	94,001,878	70,911,063
Net interest income	105,381,650	100,017,143	90,045,956	88,667,121

Interest income for the period ended 31 December 2015 includes interest accrued on impaired financial assets of Group: N2.59Bn (31 December 2014: N7.8Bn) and Bank: N2.57Bn (31 December 2014: N3.5Bn).

9 Net impairment on financial assets*In thousands of Naira*

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Additional collective impairment charges on loans and advances to banks (note 22)	(2,745)	2,996	(2,745)	2,996
Additional collective impairment charges on loans and advances to customers (note 23)	(7,193,834)	(4,474,651)	(7,066,882)	(4,249,362)
Additional specific impairment charges on loans and advances to customers (see note 23)	(3,643,214)	(6,467,595)	(2,833,064)	(5,649,913)
Additional impairment allowance on financial assets in other assets (see note 26)	(3,204,542)	(713,021)	(3,204,542)	(713,021)
Impairment charge on available for sale	(180,380)	-	(180,380)	-
	(14,224,715)	(11,652,271)	(13,287,613)	(10,609,300)

10 Fee and commission income*In thousands of Naira*

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Credit related fees and commissions	15,032,494	12,107,051	12,829,413	10,265,759
Commission on turnover and handling commission	3,202,396	5,872,065	2,752,784	5,324,789
Commission on bills and letters of credit	3,449,461	2,767,671	1,229,321	1,288,462
Commissions on collections	571,766	727,476	94,391	210,127
Commission on other financial services	2,652,955	3,109,363	1,253,290	1,150,738
Commission on virtual products	2,375,326	2,062,465	1,791,939	1,328,477
Commission on foreign currency denominated transactions	1,908,923	1,349,866	1,831,604	753,866
Card related commissions	3,935,825	2,328,659	3,804,380	2,250,546
Retail account charges	334,741	472,182	305,162	472,182
	33,463,887	30,796,798	25,892,284	23,044,946

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.

11 Net gains on investment securities**a Net gains on financial instruments classified as held for trading**

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Fixed income securities	1,626,520	316,985	1,561,951	43,193
Derivative instruments	52,310,262	22,768,006	52,336,417	22,980,834
	53,936,782	23,084,991	53,898,368	23,024,027

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.

b Net gains on financial instruments held as available for sale

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Fixed income securities	8,801,232	321,372	8,801,232	263,247
	8,801,232	321,372	8,801,232	263,247
Total	62,738,014	23,406,363	62,699,600	23,287,274

12 Net foreign exchange income

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Foreign exchange trading income (net)	36,890,498	18,178,055	33,711,384	14,907,528
Unrealised foreign exchange loss on revaluation	(10,388,816)	(17,614,133)	(10,506,119)	(18,305,648)
	26,501,682	563,922	23,205,265	(3,398,120)

13 Other operating income

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Dividends on available for sale equity securities	3,734,392	3,382,399	4,190,824	3,861,439
Gain on disposal of property and equipment	151,937	905,884	138,975	874,372
Rental income	90,719	205,973	90,719	205,973
Bad debt recovered	1,343,966	3,294,295	635,355	3,174,082
Cash management charges	322,248	444,087	322,248	444,087
Income from agency and brokerage	89,093	-	89,083	-
Income from asset management	271,124	-	-	-
Income from other investments	680,008	-	680,008	-
Write back on litigation claims (see Note 34(i))	-	165,967	-	165,967
Other income	214,392	4,549,625	69,780	3,972,114
	6,897,879	12,948,230	6,216,992	12,698,034

Included in income from agency and brokerage is an amount of N47.736m representing the referral commission earned from bancassurance products.

14 Personnel expenses

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Wages and salaries	39,187,244	29,884,739	33,636,094	24,441,936
Increase in liability for long term incentive plan (see note 37 (a) (i))	784,305	421,275	784,305	421,275
Contributions to defined contribution plans	1,811,510	804,890	742,746	565,204
Restricted Share Performance Plan (a)	563,893	182,636	536,326	182,636
	42,346,952	31,293,540	35,699,471	25,611,051

- (a) Under the Restricted Share Performance Plan (RSPP), shares of the Bank are awarded to employees based on their performance at no cost to them. Under the terms of the plan, the shares vest over a 3 year period from the date of award. The scheme applies to only employees of the Bank that meet the stipulated performance criteria irrespective of where they work within the Group. The RSPP is an equity-settled scheme, where the Bank recognizes an expense and a corresponding increase in equity. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions.

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By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding five (5) per cent of the aggregate emoluments of the Bank's employees in each financial year to purchase shares of the Bank from the floor of the Nigerian Stock Exchange for the purpose of the plan. The Bank has also established a Structured Entity (SE) to hold shares of the Bank purchased. Upon vesting, the SE transfers the shares to the employee whose interest has vested. The SE is consolidated in the Group's financial statements.

- (i) The shares allocated to staff has a contractual vesting period of three (3) years commencing from the year of purchase/allocation to the staff. The group has no legal or constructive obligation to repurchase or settle on a cash basis.
- (ii) The number and weighted-average exercise prices of shares has been detailed in table below;

Group		December 2015		December 2014	
		Number of Shares	Weighted Share Price per Share - Naira	Number of Shares	Weighted Share Price per Share - Naira
(i)	Shares allocated to staff at start of the year;	77,782,273	10.51	38,196,543	11.50
(ii)	Shares allocated during the period	186,657,709	6.90	58,240,538	10.67
(iii)	Unallocated shares during the period	11,257,609	10.05	9,398,371	9.76
(iv)	Forfeited during the period;	17,146,412	8.35	3,838,352	nil
(v)	Exercised during the period;	26,481,470	11.50	nil	nil
	Shares allocated to staff at end of the period;	209,554,491	7.56	83,200,358	10.46
		Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the period		536,326	10.03	182,636	10.46
Outstanding allocated shares to staff at the end of the period have the following maturity dates					
			Vesting period	Expiry date	Shares
	Outstanding allocated shares for the 2013 - 2015 vesting period		2014 - 2016	31 Dec 2016	44,003,466
	Outstanding allocated shares for the 2015 - 2017 vesting period		2015 - 2017	31 Dec 2017	165,551,025
					209,554,491

Bank		December 2015		December 2014	
		Number of Shares	Weighted Share Price per Share - Naira	Number of Shares	Weighted Share Price per Share - Naira
(i)	Shares allocated to staff at start of the year;	77,782,273	10.51	38,196,543	11.50
(ii)	Shares allocated during the period	168,331,092	6.90	52,822,453	9.76
(iii)	Unallocated shares during the period	11,257,609	10.05	9,398,371	9.76
(iv)	Forfeited during the period;	17,146,412	8.35	3,838,352	nil
(v)	Exercised during the period;	26,481,470	12	nil	nil
(vi)	Shares allocated to staff at end of the period;	191,227,874	7.56	77,782,273	10.51
		Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the period		563,893	7.56	182,636	10.51
Outstanding allocated shares to staff at the end of the period have the following maturity dates					
			Vesting period	Expiry date	Shares
	Outstanding allocated shares for the 2014 - 2016 vesting period		2014 - 2016	31 Dec 2016	44,003,466
	Outstanding allocated shares for the 2015 - 2017 vesting period		2015 - 2017	31 Dec 2017	165,551,025
					209,554,491

The weighted average remaining contractual life of the outstanding allocated shares is :

	Group	Group	Bank	Bank
	December 2015	December 2014	December 2015	December 2014
	Years	Years	Years	Years
Weighted average contractual life of remaining shares	1.80	1.57	1.78	1.57

- ii. The average number of persons in employment at the Group level during the period comprise:

	Group	Group	Bank	Bank
	December 2015	December 2014	December 2015	December 2014
	Number	Number	Number	Number
Managerial	313	303	257	244
Other staff	3,563	3,401	2,540	2,477
	3,876	3,704	2,797	2,721

Notes to the consolidated financial statements
For the year ended 31 December 2015

- iii. Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
	Number	Number	Number	Number
Below N900,000	182	180	-	-
N900,001 - N1,990,000	78	90	9	8
N1,990,001 - N2,990,000	164	156	-	-
N2,990,001 - N3,910,000	1,098	990	771	677
N3,910,001 - N4,740,000	22	10	-	-
N4,740,001 - N5,740,000	733	704	666	630
N5,740,001 - N6,760,000	603	612	485	553
N6,760,001 - N7,489,000	35	25	-	-
N7,489,001 - N8,760,000	333	327	317	314
N8,760,001 - N9,190,000	7	3	-	-
N9,190,001 - N11,360,000	194	195	174	175
N11,360,001 - N14,950,000	140	139	118	120
N14,950,001 - N17,950,000	132	129	122	115
N17,950,001 - N21,940,000	63	58	55	55
N21,940,001 - N26,250,000	2	2	-	-
N26,250,001 - N30,260,000	45	40	42	37
N30,261,001 - N45,329,000	34	36	32	31
Above N45,329,000	11	8	6	6
	3,876	3,704	2,797	2,721

15 Other operating expenses

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Premises and equipment costs	7,824,339	6,296,518	6,968,940	5,585,368
Professional fees	3,379,829	2,641,005	1,988,530	1,046,274
Insurance	1,532,297	499,373	786,912	362,923
Business travel expenses	5,493,383	2,783,045	5,280,043	2,562,719
Asset Management Corporation of Nigeria (AMCON) surcharge (see note (a) below)	9,909,779	8,520,471	9,909,779	8,520,471
Loss on disposal of investments	750,000	17	750,000	17
Deposit insurance premium	5,315,812	6,024,910	5,315,812	6,024,910
Auditor's remuneration	378,789	433,734	300,000	260,000
Administrative expenses	11,636,026	6,592,868	11,011,901	5,223,175
Board expenses	378,690	342,374	368,473	339,179
Communication expenses	3,635,731	2,436,612	3,521,714	1,495,757
Consultancy and IT expenses	12,873,441	7,428,985	9,056,513	6,731,029
Outsourcing costs	8,016,460	6,606,279	7,997,658	6,277,997
Advertisements and marketing expenses	6,524,647	2,657,098	6,493,271	2,121,556
Recruitment and training	1,861,726	1,277,738	1,822,435	1,260,129
Events, charities and sponsorship	3,693,924	2,042,254	3,685,736	1,947,601
Periodicals and subscriptions	645,417	538,189	638,090	533,918
Security expenses	3,574,685	3,009,001	3,548,162	2,560,702
Cash processing and management cost	1,224,895	988,168	1,224,895	988,168
Stationeries, postage and printing	1,486,600	1,283,842	1,486,600	1,283,842
Office provisions and entertainment	337,893	295,521	337,893	296,521
Net litigations claims (see note 34(i))	909,660	-	909,660	-
	91,384,023	62,698,002	83,403,018	55,422,255

- (a) This represents the Group's contribution to AMCON's sinking fund for the period ended 31 December 2015. 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.

Notes to the consolidated financial statements
For the year ended 31 December 2015

16a Discontinued operations

For the year ended 31 December 2014

In thousands of Naira

	Access Bank Burundi	Associated Discount House	Total
	Subsidiary	Associate	
	February 2014	December 2014	
Interest income	33,228	10,923,949	10,957,177
Interest expense	(10,177)	(8,736,442)	(8,746,619)
Net interest income	<u>23,051</u>	<u>2,187,507</u>	<u>2,210,558</u>
Net Impairment writeback on financial assets	-	21,842	21,842
Fee and commission income	12,923	16,505	29,428
Trading income	-	673,416	673,416
Net (losses)/gains from financial instruments at fair value	-	(5,273)	(5,273)
Net fee and commission income	<u>12,923</u>	<u>706,490</u>	<u>719,413</u>
Other operating income	4,853	18,650	23,503
Total operating income	<u>40,827</u>	<u>2,912,648</u>	<u>2,953,475</u>
Personnel expenses	(16,060)	(472,017)	(488,077)
Other operating expenses	(31,487)	(819,569)	(851,056)
Total expenses	<u>(47,546)</u>	<u>(1,291,586)</u>	<u>(1,339,133)</u>
Loss before tax	(6,719)	1,621,062	1,614,343
Income tax expense	-	(10,527)	(10,527)
Loss after tax	<u>(6,719)</u>	<u>1,610,535</u>	<u>1,603,816</u>
Loss after tax attributable to:			
Owners of the bank	(5,846)	-	(5,846)
Share of profit attributable to Access Bank:	-	485,576	485,576
Non-controlling interests	(873)	-	(873)
Net cash from financing activities	<u>(6,719)</u>	<u>485,576</u>	<u>478,857</u>

Notes to the consolidated financial statements
For the year ended 31 December 2015

16b The aggregate book value of the net assets for the subsidiary and associate disposed at the date of disposal is as follows:

Group			
Cash and balances with banks	956,473	11,570,356	12,526,829
Non pledged trading assets	-	470,490	470,490
Loans and advances to customers	1,400,651	298,343	1,698,994
Investment securities	546,762	24,735,328	25,282,090
Pledged assets	-	32,296,487	32,296,487
Other assets	94,593	309,622	404,215
Intangible assets	-	44,207	44,207
Property, plant and equipment	225,883	165,106	390,989
Deferred tax	-	4,184,550	4,184,550
Assets held for sale	-	48,756	48,756
Total assets	<u>3,224,362</u>	<u>74,123,245</u>	<u>77,347,607</u>
Deposits from banks and customers	(2,031,040)	(20,717,369)	(22,748,409)
Deposit from customers	-	(36,645,218)	(36,645,218)
Other liabilities	(166,526)	(233,301)	(399,827)
Total liabilities	<u>(2,197,566)</u>	<u>(57,595,888)</u>	<u>(59,793,454)</u>
Net assets of disposal group	<u>1,026,796</u>	<u>16,527,357</u>	<u>17,554,153</u>
Group			
Proceeds on disposal	776,200	4,044,377	4,820,577
Less:			
Share of other components of net assets excluding translation reserve	(983,780)	-	(983,780)
Carrying amount of investment in associate at disposal	-	(4,130,394)	(4,130,394)
Share of foreign exchange gain arising from disposal	97,187	-	97,187
Goodwill	(369,714)	-	(369,714)
Loss on disposal of subsidiary and associate	<u>(480,107)</u>	<u>(86,017)</u>	<u>(566,124)</u>
Post tax loss of discontinued operations			(6,719)
Share of profit of disposed associate (see note 28)			<u>483,576</u>
Loss from discontinued operations			<u>(87,267)</u>
Bank			
Proceeds on disposal	776,200	4,044,376	4,820,576
Cost of investments	(1,141,875)	(1,521,812)	(2,663,687)
Allowance for impairment	261,409	-	261,409
Gain on disposal of subsidiary and associate	<u>(104,266)</u>	<u>2,522,564</u>	<u>2,418,298</u>

Notes to the consolidated financial statements
For the year ended 31 December 2015

17 Income tax expense

	<u>Group</u> <u>December 2015</u>	<u>Group</u> <u>December 2014</u>	<u>Bank</u> <u>December 2015</u>	<u>Bank</u> <u>December 2014</u>
<i>In thousands of Naira</i>				
Current tax expense				
Corporate income tax	7,841,533	7,293,969	5,207,035	4,532,644
IT tax	643,078	459,163	643,078	459,163
Education tax	-	203,887	-	203,887
Capital gains tax	511	110,061	511	110,061
Prior year's under provision	-	751,307	-	751,307
	<u>8,485,122</u>	<u>8,818,387</u>	<u>5,850,624</u>	<u>6,057,062</u>
Deferred tax expense				
Origination of temporary differences	684,222	140,424	402,545	144,234
Total income tax expense	<u>9,169,344</u>	<u>8,958,811</u>	<u>6,253,169</u>	<u>6,201,296</u>

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

	<u>Group</u> <u>December 2015</u>	<u>Group</u> <u>December 2014</u>	<u>Bank</u> <u>December 2015</u>	<u>Bank</u> <u>December 2014</u>
Balance at the beginning of the year	8,180,969	6,899,558	7,113,226	6,075,590
Tax paid	(6,259,617)	(7,187,505)	(4,125,701)	(5,070,239)
Income tax charge	8,485,122	8,067,080	5,850,624	5,305,755
Prior year's under provision	-	751,307	-	751,307
Withholding tax utilisation	(2,395,838)	-	(2,395,838)	-
Reclassifications	(83,009)	50,813	-	50,813
Translation adjustments	(129,492)	(373,157)	-	-
Income tax receivable	(17,311)	(27,127)	-	-
Balance at the end of the period	<u>7,780,824</u>	<u>8,180,969</u>	<u>6,442,311</u>	<u>7,113,226</u>

Income tax liability is to be settled within one period

	<u>Group</u> <u>December 2015</u>	<u>Group</u> <u>December 2015</u>	<u>Group</u> <u>December 2014</u>	<u>Group</u> <u>December 2014</u>
<i>In thousands of Naira</i>				
Profit before income tax		75,038,117		52,022,290
Income tax using the domestic tax rate	30%	22,511,435	30%	15,603,325
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	643,078	-	-
Capital allowance utilised for the period	0%	-	0%	-
Non-deductible expenses	39%	29,584,951	17%	8,977,112
Tax exempt income	-66%	(49,475,519)	-41%	(21,389,068)
Tax losses unutilised	1%	697,854	1%	556,262
Education tax levy	0%	-	0%	230,887
Capital gain tax	0%	510	0%	110,061
Under provided in prior years	0%	-	1%	751,307
Impact of dividend as tax base	7%	5,207,035	8%	4,118,925
Effective tax rate	<u>12%</u>	<u>9,169,344</u>	<u>17%</u>	<u>8,958,811</u>

	<u>Bank</u> <u>December 2015</u>	<u>Bank</u> <u>December 2015</u>	<u>Bank</u> <u>December 2014</u>	<u>Bank</u> <u>December 2014</u>
<i>In thousands of Naira</i>				
Profit before income tax	-	65,177,914	-	46,142,422
Income tax using the domestic tax rate	30%	19,553,374	30%	13,842,727
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	643,078	1%	459,163
Non-deductible expenses	43%	28,315,770	19%	8,811,846
Tax exempt income	-73%	(47,466,598)	-48%	(22,096,620)
Education tax levy	0%	-	0%	203,887
Capital gain tax	0%	510	0%	110,061
Over provided in prior years	0%	-	2%	751,307
Impact of dividend as tax base	8%	5,207,035	9%	4,118,925
Effective tax rate	<u>10%</u>	<u>6,253,169</u>	<u>13%</u>	<u>6,201,296</u>

Notes to the consolidated financial statements
For the year ended 31 December 2015

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.

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Profit for the period from continuing operations	65,332,540	42,415,329	58,924,745	39,941,126
Loss for the period from discontinued operations	-	(87,267)	-	-
Weighted average number of ordinary shares in issue	24,897,936	22,882,920	24,897,936	22,882,920
Weighted average number of treasury Shares	240,850	93,113	-	-
	<u>24,657,087</u>	<u>22,789,807</u>	<u>24,897,936</u>	<u>22,882,920</u>
<i>In kobo per share</i>				
Basic earnings per share from continuing operations	265	186	237	175
Basic (loss) per share from discontinued operations	-	-	-	-

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

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Profit for the period from continuing operations	65,332,540	42,415,329	58,924,745	39,941,126
Loss for the period from discontinued operations	-	(87,267)	-	-
Weighted average number of ordinary shares in issue	24,897,936	22,882,920	24,897,936	22,882,920
<i>In kobo per share</i>				
Diluted earnings per share from continuing operations	262	185	237	175
Diluted (loss) per share from discontinued operations	-	-	-	-

19a Cash and balances with banks

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Cash on hand and balances with banks (see note (i))	85,299,149	49,549,044	57,546,509	36,343,757
Restricted deposits with central banks (see note (ii))	249,954,817	257,591,933	248,182,477	255,603,361
Unrestricted balances with central banks	90,721,388	32,060,575	74,158,434	22,262,582
Money market placements	52,433,982	65,813,241	26,111,216	36,965,179
	<u>478,409,336</u>	<u>405,014,793</u>	<u>405,998,636</u>	<u>351,174,879</u>

(i) Included in cash on hand and balances with banks is an amount of N5.239Bn (31 Dec 2014: N5.030Bn) 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

During the course of the year, 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 December 2015, the funds were invested by the Asset Managers as follows:

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Call Deposits and Cash	918	-	918	-
Placements	4,926,562	-	4,926,562	-
Commercial Paper	304,378	-	304,378	-
Nigerian Treasury Bills	3,090,432	-	3,090,432	-
Mutual Funds	2,081,318	-	2,081,318	-
	10,403,608	-	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

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Government bonds	1,961,355	3,786,172	1,961,355	3,786,172
Eurobonds	63,645	-	63,645	-
Treasury bills	50,209,443	24,546,032	50,209,443	24,546,032
Equity securities	63,979	79,440	63,979	79,440
	52,298,422	28,411,644	52,298,422	28,411,644

21 Derivative financial instruments

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2015		December 2014	
<i>In thousands of Naira</i>				
Group				
Foreign exchange derivatives				
Total derivative assets	347,991,933	77,905,020	226,641,589	24,866,681
Total derivative liabilities	120,767,876	(3,077,927)	49,836,860	(1,989,662)
	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2015		December 2014	
Bank				
Foreign exchange derivatives				
Total derivative assets	340,643,495	77,852,349	224,496,226	24,831,145
Total derivative liabilities	100,157,405	(2,416,378)	25,458,938	(1,737,791)

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

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>				
Loans and advances to banks	42,742,996	12,442,000	60,423,807	55,783,178
Less collective allowances for impairment	(9,086)	(6,341)	(9,086)	(6,341)
	42,733,910	12,435,659	60,414,721	55,776,837

Collective allowances for impairment on loans and advances to banks

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>				
Balance beginning of year	6,341	9,337	6,341	9,337
- Charge for the period/(allowances no longer required)	2,745	(2,996)	2,745	(2,996)
Balance end of period	9,086	6,341	9,086	6,341

23 Loans and advances to customers**a Group**

December 2015 <i>In thousands of Naira</i>	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
Loans to individuals					
Retail Exposures					
Auto Loan (note 23c)	2,175,207	-	(25,446)	(25,446)	2,149,761
Credit Card	2,608,764	-	(28,629)	(28,629)	2,580,135
Finance Lease (note 23c)	-	-	-	-	-
Mortgage Loan	17,954,586	-	(51,306)	(51,306)	17,903,280
Overdraft	5,261,080	(250,624)	(543,561)	(794,185)	4,466,895
Personal Loan	20,393,836	-	(210,228)	(210,228)	20,183,608
Term Loan	4,777,259	-	(74,834)	(74,834)	4,702,425
Time Loan	799,692	-	(7,174)	(7,174)	792,518
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan (note 23c)	3,406,742	-	(37,455)	(37,455)	3,369,287
Credit Card	274,133	-	(2,848)	(2,848)	271,285
Finance Lease (note 23c)	1,821,023	-	(8,115)	(8,115)	1,812,908
Mortgage Loan	6,208,567	(46,391)	(317)	(46,708)	6,161,859
Overdraft	208,224,839	(7,574,569)	(6,798,235)	(14,372,804)	193,852,035
Term Loan	785,921,553	(2,162,757)	(9,255,082)	(11,417,839)	774,503,714
Time Loan	334,694,358	(448,337)	(1,164,900)	(1,613,237)	333,081,121
	1,394,521,639	(10,482,678)	(18,208,130)	(28,690,808)	1,365,830,831

Group

December 2014 <i>In thousands of Naira</i>	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
Loans to individuals					
Retail Exposures					
Auto Loan (note 23c)	1,049,322	-	(15,878)	(15,878)	1,033,444
Credit Card	1,701,880	-	(31,026)	(31,026)	1,670,854
Finance Lease (note 23c)	67,905	-	(347)	(347)	67,558
Mortgage Loan	4,291,312	-	(59,532)	(59,532)	4,231,780
Overdraft	5,653,252	-	(497,431)	(497,431)	5,155,821
Personal Loan	8,195,722	-	(96,633)	(96,633)	8,099,089
Term Loan	4,263,687	-	(61,701)	(61,701)	4,201,986
Time Loan	3,374,403	-	(35,562)	(35,562)	3,338,841
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan (note 23c)	2,186,891	-	(24,540)	(24,540)	2,162,351
Credit Card	251,828	-	(3,553)	(3,553)	248,275
Finance Lease (note 23c)	2,684,171	-	(18,962)	(18,962)	2,665,209
Mortgage Loan	179,950	-	(2,354)	(2,354)	177,596
Overdraft	255,764,405	(5,663,268)	(5,847,412)	(11,510,680)	244,253,725
Term Loan	541,142,320	(2,165,144)	(3,197,231)	(5,362,375)	535,779,945
Time Loan	298,639,218	(139,117)	(1,122,134)	(1,261,251)	297,377,967
	1,129,446,266	(7,967,529)	(11,014,296)	(18,981,825)	1,110,464,441

Impairment on loans and advances to customers

<i>In thousands of Naira</i>	Specific allowances		Collective allowances	
	December 2015	December 2014	December 2015	December 2014
Balance beginning of year	7,967,529	7,944,110	11,014,296	6,550,608
Impairment loss for the year:				
- Charge for the period	3,643,214	6,467,595	7,193,834	4,474,651
Write-offs	(1,128,065)	(6,444,176)	-	(10,963)
Balance end of period	10,482,678	7,967,529	18,208,130	11,014,296

23 Loans and advances to customers**b Bank**

December 2015 <i>In thousands of Naira</i>	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
Loans to individuals					
Retail Exposures					
Auto Loan	1,976,020	-	(25,446)	(25,446)	1,950,574
Credit Card	2,579,265	-	(28,629)	(28,629)	2,550,636
Finance Lease	-	-	-	-	-
Mortgage Loan	4,383,538	-	(51,306)	(51,306)	4,332,232
Overdraft	5,054,135	(250,624)	(503,788)	(754,412)	4,299,723
Personal Loan	18,073,801	-	(210,228)	(210,228)	17,863,573
Term Loan	3,066,501	-	(35,061)	(35,061)	3,031,440
Time Loan	640,645	-	(7,174)	(7,174)	633,471
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan	3,378,173	-	(37,455)	(37,455)	3,340,718
Credit Card	264,756	-	(2,848)	(2,848)	261,908
Finance Lease	1,821,023	-	(8,115)	(8,115)	1,812,908
Mortgage Loan	74,260	(46,391)	(317)	(46,708)	27,552
Overdraft	188,628,138	(7,027,040)	(6,639,141)	(13,666,181)	174,961,957
Term Loan	753,319,155	(1,400,831)	(9,018,452)	(10,419,283)	742,899,872
Time Loan	286,861,982	(448,337)	(1,164,900)	(1,613,237)	285,248,745
	1,270,121,392	(9,173,223)	(17,732,860)	(26,906,083)	1,243,215,309

Bank

December 2014 <i>In thousands of Naira</i>	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
Loans to individuals					
Retail Exposures					
Auto Loan	1,039,754	-	(15,829)	(15,829)	1,023,925
Credit Card	1,619,091	-	(30,536)	(30,536)	1,588,555
Finance Lease	-	-	-	-	-
Mortgage Loan	3,570,299	-	(51,698)	(51,698)	3,518,601
Overdraft	4,111,433	-	(422,288)	(422,288)	3,689,145
Personal Loan	6,865,010	-	(93,081)	(93,081)	6,771,929
Term Loan	3,274,322	-	(52,154)	(52,154)	3,222,168
Time Loan	668,650	-	(8,641)	(8,641)	660,009
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan	2,186,892	-	(24,540)	(24,540)	2,162,352
Credit Card	251,829	-	(3,553)	(3,553)	248,276
Finance Lease	2,480,457	-	(17,921)	(17,921)	2,462,536
Mortgage Loan	179,950	-	(2,354)	(2,354)	177,596
Overdraft	226,471,125	(4,342,851)	(5,740,751)	(10,083,602)	216,387,523
Term Loan	509,908,731	(1,997,308)	(3,183,670)	(5,180,978)	504,727,753
Time Loan	274,287,442	-	(1,018,962)	(1,018,962)	273,268,480
	1,036,914,985	(6,340,159)	(10,665,978)	(17,006,137)	1,019,908,848

Impairment on loans and advances to customers

<i>In thousands of Naira</i>	Specific Impairment		Collective Impairment		
	December 2015	December 2014	December 2015	December 2014	
Balance beginning of year		6,340,159	6,812,512	10,665,978	6,427,580
Impairment loss for the period:					
- Charge for the period	2,833,064		5,649,913	7,066,882	4,249,362
Write-offs	-		(6,122,266)	-	(10,964)
Balance end of period	9,173,223	6,340,159	17,732,860	10,665,978	

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For the year ended 31 December 2015**

23(c) Advances under Finance Leases

Loans and advances to customers at amortised cost include the following finance lease receivables for leases of certain property and equipment where the group is the lessor:

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Gross investment in finance lease, receivable	8,963,579	7,357,545	8,657,125	6,925,411
Unearned finance income on finance leases	<u>(1,631,622)</u>	<u>(1,369,256)</u>	<u>(1,552,925)</u>	<u>(1,218,308)</u>
Net investment in finance leases	<u>7,331,957</u>	<u>5,988,289</u>	<u>7,104,200</u>	<u>5,707,103</u>
Gross investment in finance leases, receivable:				
Less than one year	4,094,867	862,109	3,932,588	761,251
Between one and five years	4,868,711	6,495,436	4,724,537	6,164,160
Later than five years	-	-	-	-
	<u>8,963,578</u>	<u>7,357,545</u>	<u>8,657,125</u>	<u>6,925,411</u>
Unearned finance income on finance leases	<u>(1,631,622)</u>	<u>(1,369,256)</u>	<u>(1,552,925)</u>	<u>(1,218,308)</u>
Present value of minimum lease payments	<u>7,331,956</u>	<u>5,988,289</u>	<u>7,104,200</u>	<u>5,707,103</u>
Present value of minimum lease payments may be analysed as:				
- Less than one year	3,230,261	476,860	3,108,297	420,328
- Between one and five years	4,101,695	5,511,429	3,995,903	5,286,775
- Later than five years	-	-	-	-

24 Pledged assets

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Treasury bills	106,934,817	15,125,322	103,684,044	13,236,528
Government bonds	<u>96,780,580</u>	<u>71,946,825</u>	<u>96,780,580</u>	<u>71,946,825</u>
	<u>203,715,397</u>	<u>87,072,147</u>	<u>200,464,624</u>	<u>85,183,353</u>
The related liability for assets pledged as collateral include:				
Bank of Industry (BOI)	<u>29,227,231</u>	<u>23,479,759</u>	<u>29,227,231</u>	<u>23,479,759</u>

- (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 N25.78Bn (31 December 2014: N24.3Bn) 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.

As at 31 December 2015, the Bank held N40.16Bn worth of collateral (December 2014: N19.8Bn).

25 Investment securities

<i>Available for sale investment securities In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Debt securities				
Government bonds	54,679,355	37,048,459	54,679,355	37,048,459
Treasury bills	28,996,006	92,046,032	10,436,981	61,656,952
Eurobonds	6,524,859	10,700,919	6,016,748	8,495,425
Equity securities				
Equity securities with readily determinable fair values (i)	44,772,710	45,087,422	44,755,565	45,052,274
Unquoted equity securities at cost	<u>3,145,697</u>	<u>3,145,697</u>	<u>3,145,697</u>	<u>3,145,697</u>
	138,118,627	188,028,529	119,034,346	155,398,807
Specific allowance for impairment on equity securities	<u>(3,326,077)</u>	<u>(3,145,697)</u>	<u>(3,326,077)</u>	<u>(3,145,697)</u>
	<u>134,792,550</u>	<u>184,882,832</u>	<u>115,708,269</u>	<u>152,253,110</u>

Notes to the consolidated financial statements
For the year ended 31 December 2015

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

MTN Nigeria	8,317,689	10,226,687	8,317,689	10,226,687
Central securities clearing system limited	1,775,756	1,847,493	1,775,756	1,847,493
Nigeria interbank settlement system plc.	1,027,168	1,026,992	1,027,168	1,026,992
IBTC pension managers limited	1,144,748	1,452,636	1,144,748	1,452,636
Unified payment services limited	2,518,309	2,384,009	2,518,309	2,384,009
Africa finance corporation	28,658,942	26,891,794	28,658,942	26,891,794
Juli pharmacy plc	11,358	12,526	11,358	12,526
E-Tranzact	729,738	777,928	729,738	777,928
African export-import bank	2,675	2,291	2,675	2,291
FMDQ OTC Plc	147,746	30,000	137,746	30,000
Nigerian mortgage refinance company plc.	200,000	200,000	200,000	200,000
Credit reference company	231,436	199,919	231,436	199,918
Others	7,145	35,147	-	-
	<u>44,772,710</u>	<u>45,087,422</u>	<u>44,755,565</u>	<u>45,052,274</u>

Held to maturity investment securities

In thousands of Naira

Debt securities

Treasury bills	7,687,281	23,495,446	-	15,963,009
Federal government bonds	31,962,858	39,519,702	31,044,676	37,947,206
State government bonds	6,550,060	7,504,536	6,550,060	7,504,536
Corporate bonds	3,580,595	5,079,686	1,684,150	3,335,218
Eurobonds	1,649,782	1,551,167	1,007,643	956,885
Local contractors bonds	-	8,178,019	-	8,178,019
	<u>51,430,576</u>	<u>85,328,556</u>	<u>40,286,529</u>	<u>73,884,873</u>
Total	<u>186,223,126</u>	<u>270,211,388</u>	<u>155,994,798</u>	<u>226,137,983</u>

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

In thousands of Naira

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Balance, beginning of year	3,145,697	3,145,697	3,145,697	3,145,697
Allowance no longer required	-	-	-	-
Additional allowance	<u>180,380</u>	<u>180,380</u>	<u>180,380</u>	<u>180,380</u>
Balance, end of period	<u>3,326,077</u>	<u>3,145,697</u>	<u>3,326,077</u>	<u>3,145,697</u>

Notes to the consolidated financial statements
For the year ended 31 December 2015

26 Other assets

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>				
Financial assets				
Accounts receivable	37,555,560	46,492,788	34,067,809	40,173,545
Receivable on E-business channels	9,163,800	2,290,326	9,163,800	2,290,326
Receivable from disposal of Non-current asset	22,578,046	4,044,897	22,578,046	4,044,897
Receivable from AMCON	5,498,909	5,498,909	5,498,909	5,498,909
Subscription for investment	25,001	25,001	861,759	826,653
	<u>74,821,316</u>	<u>58,351,921</u>	<u>72,170,323</u>	<u>52,834,330</u>
Non-financial assets				
Prepayments	10,234,249	19,518,711	8,494,119	17,026,257
Inventory	619,515	761,159	619,516	706,891
	<u>10,853,764</u>	<u>20,279,870</u>	<u>9,113,635</u>	<u>17,733,148</u>
Inventory consists of blank debit cards, cheque leaves, computer consumables and other stationery held by the Bank.				
Gross other assets				
	85,675,080	78,631,791	81,283,958	70,567,478
<i>Allowance for impairment on financial assets</i>	<u>(2,660,577)</u>	<u>(22,321,171)</u>	<u>(2,660,577)</u>	<u>(22,321,171)</u>
	<u>83,014,503</u>	<u>56,310,620</u>	<u>78,623,381</u>	<u>48,246,307</u>

The increase in the other assets is contributed to by receivable from disposal of non-current assets, Maiyegun landed property. Due to the value of Maiyegun landed property, an agreement was entered into with the buyers to pay instalmentally over a period of time. Risks and rewards have been transferred to the buyers

Movement in allowance for impairment on other assets:

	Group	Bank
<i>In thousands of Naira</i>		
Balance as at 1 January 2014	<u>22,555,820</u>	<u>22,555,820</u>
<i>Impairment loss for the year:</i>		
- Additional provision	882,369	882,369
- Provision no longer required	<u>(169,348)</u>	<u>(169,348)</u>
<i>Net impairment</i>	713,021	713,021
Allowance written off	<u>(947,670)</u>	<u>(947,670)</u>
Balance as at 31 December 2014/1 January 2015	<u>22,321,171</u>	<u>22,321,171</u>
<i>Impairment loss for the year:</i>		
- Additional provision	3,276,197	3,276,197
- Provision no longer required	<u>(71,655)</u>	<u>(71,655)</u>
<i>Net impairment</i>	3,204,542	3,204,542
Allowance written off	<u>(22,865,136)</u>	<u>(22,865,136)</u>
Balance as at 31 December 2015	<u>2,660,577</u>	<u>2,660,577</u>

During the course of the year, the bank wrote off N22.86Bn of other assets. The receivables largely arose from the business combination with erstwhile Intercontinental Bank Plc and full provisions had been made. Having been outstanding for a prolonged period of time, the bank deemed it appropriate to write them off

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

Set out below are the group's subsidiaries as at 31 December 2015. 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 .

	Nature of business	Country of incorporation	Ownership interest	
			December 2015	December 2014
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

	Nature of business	Country of incorporation	Ownership interest	
			December 2015	December 2014
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.

(iii) Structured entities:

	Nature of business	Country of incorporation	Ownership interest	
			December 2015	December 2014
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

27(b) Investment in subsidiaries

	Bank	Bank
	December 2015	December 2014
<i>In thousands of Naira</i>		
Subsidiaries with continuing operations		
Access Bank, UK	18,501,269	13,928,819
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	1,019,952
Investment in RSPP scheme	1,722,350	976,125
Access Bank Finance B.V.	4,092	4,092
Subsidiaries undergoing liquidation		
Flexmore Technologies Limited	100,000	100,000
	45,539,246	40,220,572
Specific allowances for impairment on investment in subsidiaries	(100,000)	(100,000)
Balance, end of period	45,439,246	40,120,572

Specific allowances for impairment on investment in subsidiaries

	Bank	Bank
	December 2015	December 2014
<i>In thousands of Naira</i>		
Balance, beginning of year	100,000	1,825,507
Allowance written off	-	(1,725,507)
Balance, end of year	100,000	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 subsidiaries 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.

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For the year ended 31 December 2015

27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at 31 December 2015, are as follows:

Condensed profit and loss <i>In thousands of naira</i>	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	5,929,949	14,248,052	1,746,767	1,755,209	1,346,817	1,081,310	724,805	-	438,562
Operating expenses	(3,354,724)	(7,107,573)	(1,561,741)	(1,490,186)	(1,279,419)	(533,547)	(635,919)	-	(16,624)
Net impairment on financial assets	-	(787,888)	24,123	-	(24,158)	(235,348)	(16,540)	-	-
Profit before tax	2,575,225	6,352,591	209,149	265,023	43,240	312,415	72,346	-	421,938
Taxation	(521,483)	(2,189,931)	(108,885)	-	(28,989)	(17,326)	(26,355)	-	(23,206)
Profit for the period	2,053,742	4,162,660	100,264	265,023	14,251	295,089	45,991	-	398,732
Assets									
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	-	2,327,751
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	1,252,686	124,350	262,785	-	-
Investment in associates	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	-	-
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	11,517,912	6,640,359	7,412,790	1,722,350	71,911,775
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	937,044	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	-	687,763
	179,843,182	124,405,062	16,904,611	12,942,550	11,517,912	6,640,359	7,412,790	-	71,911,775
Net cashflow from investing activities	17,935,552	(2,660,525)	761,628	(122,315)	(442,024)	(119,630)	(786,315)	-	-
Net cashflow from financing activities	4,400,100	(830,053)	583,202	-	-	-	-	-	6,914,832
Increase in cash and cash equivalents	25,849,261	2,343,374	1,318,540	1,284,155	1,565,905	423,797	(486,379)	-	74,738
Cash and cash equivalent, beginning of year	19,396,272	28,250,473	6,490,163	3,511,969	7,794,994	1,144,460	1,630,878	-	76,333
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	-	-	-	117,168
Cash and cash equivalent, end of period	45,245,533	30,593,847	7,808,703	4,796,124	9,360,899	1,568,257	1,144,498	-	268,239

Notes to the consolidated financial statements
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27 (d) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at 31 December 2014, are as follows:

Condensed profit and loss <i>In thousands of naira</i>	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	4,277,758	13,909,372	1,592,611	1,670,747	807,674	231,397	496,292	21,951	487,227
Operating expenses	(2,851,778)	(5,952,681)	(1,316,178)	(1,252,975)	(1,308,538)	(489,795)	(547,193)	-	(305,410)
Net impairment on financial assets	-	(909,901)	(18,300)	(26,395)	(25,460)	(62,915)	-	-	-
Profit before tax	1,425,980	7,046,790	258,133	391,377	(526,324)	(321,313)	(50,901)	21,951	181,817
Taxation	(302,389)	(2,171,532)	(93,146)	(150,665)	(18,793)	(16,973)	(14,983)	-	(29,539)
Profit for the year	1,123,591	4,875,258	164,987	240,712	(545,117)	(338,286)	(65,884)	21,951	152,278
Assets									
Cash and balances with banks	19,723,288	28,718,479	6,189,888	2,370,866	4,793,833	1,145,405	2,292,292	-	2,185,302
Derivative financial instruments	35,536	-	-	-	-	-	-	-	-
Loans and advances to banks	62,695,820	-	-	-	-	-	-	-	63,357,784
Loans and advances to customers	26,621,426	47,982,339	5,317,264	6,206,928	3,167,098	715,665	544,874	-	-
Pledged assets	-	-	-	-	-	1,888,794	-	-	-
Investment securities	21,347,150	11,948,616	2,784,897	1,142,760	3,912,586	-	2,937,395	-	-
Other assets	452,300	4,511,582	193,904	147,186	2,966,061	1,099,250	529,990	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	976,126	-
Property and equipment	174,868	2,979,160	191,604	834,481	551,125	504,533	263,609	-	-
Intangible assets	30,524	249,613	53,396	37,378	33,816	42,137	28,305	-	-
Deferred tax assets	10,757	316,578	-	-	438,577	-	106,292	-	-
	131,091,669	96,706,367	14,730,953	10,739,599	15,863,096	5,395,784	6,702,757	976,126	65,543,086
Financed by:									
Deposits from banks	91,176,538	9,700,939	-	-	95,215	-	7,831	-	-
Deposits from customers	22,934,317	67,486,781	11,873,269	7,468,618	11,592,695	3,291,879	4,992,832	-	-
Derivative Liability	251,871	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	65,325,788
Retirement benefit obligations	-	-	-	-	-	-	1,736	-	-
Current income tax liability	-	867,940	-	170,714	-	-	-	-	29,090
Other liabilities	668,974	2,157,465	457,031	394,096	1,092,311	300,393	459,940	-	323,043
Contingent settlement provisions	-	-	-	-	-	-	-	-	-
Deferred tax liability	-	111,509	-	-	-	-	14,983	-	-
Equity	16,059,969	16,381,733	2,349,349	2,706,171	3,082,875	1,803,512	1,225,435	976,127	(134,835)
	131,091,669	96,706,367	14,679,649	10,739,599	15,863,096	5,395,784	6,702,757	976,127	65,543,086
Net cashflow from investing activities	2,391,557	(1,924,281)	909,928	(128,923)	(1,593,367)	(1,636,747)	598,429	-	-
Net cashflow from financing activities	-	3,840,427	-	-	2,762,382	765,254	-	-	7,138,351
Increase/(Decrease) in cash and cash equivalents	(81,883,511)	10,097,706	1,496,429	(841,950)	777,393	350,114	542,017	-	78,508
Cash and cash equivalent, beginning of year	101,279,783	18,573,352	4,095,830	4,353,919	1,843,604	812,938	1,750,275	-	73,058
Cash and cash equivalent, end of period	19,396,272	28,671,058	5,592,259	3,511,969	2,620,997	1,163,052	2,292,292	-	151,566

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**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 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	57,073,875	17,762,955	29,241,820	9,898,894	7,755,533	121,733,077
Balance at 1 January 2014	53,782,026	12,708,148	24,439,933	7,745,878	6,108,452	104,784,437
Acquisitions	2,895,060	3,291,206	3,885,644	1,794,534	1,729,108	13,595,552
Disposals	(2,750,769)	(416,496)	(1,439,907)	(939,616)	(127,340)	(5,674,128)
Transfers	607,901	15,483	23,228	4,848	(651,460)	-
Write offs	(1,407)	-	(1,139,194)	-	-	(1,140,601)
Translation difference	148,334	114,080	(205,510)	(239,362)	(42,399)	(224,857)
Balance at 31 December 2014	54,681,145	15,712,421	25,564,194	8,366,282	7,016,361	111,340,403
Depreciation and impairment losses						
	Leasehold improvement and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work- in - progress	Total
Balance at 1 January 2015	7,723,192	10,955,180	17,509,380	5,492,944	-	41,680,696
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)
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	-	48,403,150
Balance at 1 January 2014	6,241,450	9,603,718	16,617,943	5,078,021	-	37,541,132
Charge for the year	1,589,332	1,848,403	3,192,072	1,293,034	-	7,922,841
Disposal	(167,198)	(352,812)	(1,163,919)	(727,268)	-	(2,411,197)
Write-Offs	(1,407)	-	(1,131,504)	-	-	(1,132,911)
Translation difference	61,015	(144,129)	(5,212)	(150,843)	-	(239,169)
Balance at 31 December 2014	7,723,192	10,955,180	17,509,380	5,492,944	-	41,680,696
Carrying amounts:						
Balance at 31 December 2015	47,787,851	5,444,400	8,799,405	3,542,738	7,755,533	73,329,927
Balance at 31 December 2014	46,957,953	4,757,241	8,054,814	2,873,338	7,016,361	69,659,707

Notes to the consolidated financial statements
For the year ended 31 December 2015

**28 Property and equipment
Bank**

	Land and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work- in - progress	Total
<i>In thousands of Naira</i>						
Cost						
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	10,592,121
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	52,737,675	15,863,065	26,748,469	8,644,919	5,388,964	109,383,092
Balance at 1 January 2014	50,375,733	11,531,838	22,442,381	6,708,380	6,013,544	97,071,876
Acquisitions	2,439,886	3,093,581	3,334,290	1,496,580	947,468	11,311,805
Disposals	(2,750,769)	(416,496)	(1,329,668)	(752,663)	(127,340)	(5,376,936)
Transfers	607,901	12,065	23,228	4,848	(648,042)	-
Write-Offs	-	-	(1,139,194)	-	-	(1,139,194)
Balance at 31 December 2014	50,672,751	14,220,988	23,331,037	7,457,145	6,185,630	101,867,551
	Leasehold improvement and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Depreciation and impairment losses						
Balance at 1 January 2015	6,782,532	9,982,857	16,071,183	4,870,652	-	37,707,224
Charge for the period	1,476,578	1,671,014	3,276,037	1,338,662	-	7,762,291
Disposal	(51,819)	(668,703)	(579,819)	(686,466)	-	(1,986,807)
Balance at 31 December 2015	8,207,291	10,985,168	18,767,401	5,522,848	-	43,482,708
Balance at 1 January 2014	5,477,164	8,716,667	15,330,242	4,344,558	-	33,868,631
Charge for the year	1,472,566	1,619,002	2,929,841	1,097,522	-	7,118,931
Disposal	(167,198)	(352,812)	(1,057,394)	(571,428)	-	(2,148,832)
Write-Off	-	-	(1,131,506)	-	-	(1,131,506)
Balance at 31 December 2014	6,782,532	9,982,857	16,071,183	4,870,652	-	37,707,224
Carrying amounts:						
Balance at 31 December 2015	44,530,384	4,877,897	7,981,068	3,122,071	5,388,964	65,900,384
Balance at 31 December 2014	43,890,219	4,238,131	7,259,854	2,586,493	6,185,630	64,160,327

(a) The amount of contractual commitments for the acquisition of property and equipment as at 31 December 2015 is N330,891,261 (31 Dec 2014: N1,990,906,324)

(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.

Notes to the consolidated financial statements
For the year ended 31 December 2015**29 Intangible assets****Group***In thousands of Naira*

	Goodwill	WIP	Purchased Software	Total
Cost				
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)	(512,802)
Translation difference	-	-	(260,581)	(260,581)
Balance at 31 December 2015	<u>681,007</u>	<u>-</u>	<u>12,060,445</u>	<u>12,741,452</u>
December 2014				
Balance at 1 January 2014	681,007	-	7,297,795	7,978,802
Acquisitions	-	740,711	2,617,984	3,358,695
Translation difference	-	-	30,695	30,695
Balance at 31 December 2014	<u>681,007</u>	<u>740,711</u>	<u>9,946,474</u>	<u>11,368,192</u>
Amortization and impairment losses				
December 2015				
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)	(512,802)
Translation difference	-	-	(444,756)	(444,756)
Balance at 31 December 2015	<u>-</u>	<u>-</u>	<u>6,300,836</u>	<u>6,300,836</u>
December 2014				
Balance at 1 January 2014	-	-	4,319,730	4,319,730
Amortization for the period	-	-	1,315,332	1,315,332
Translation difference	-	-	140,139	140,139
Balance at 31 December 2014	<u>-</u>	<u>-</u>	<u>5,775,201</u>	<u>5,775,201</u>
Net Book Value				
December 2015				
Balance at 31 December 2015	<u>681,007</u>	<u>-</u>	<u>5,759,609</u>	<u>6,440,616</u>
Balance at 31 December 2014	<u>681,007</u>	<u>740,711</u>	<u>4,171,273</u>	<u>5,592,991</u>

Bank*In thousands of Naira***Cost****December 2015**

	WIP	Purchased Software	Total
Balance at 1 January 2015	740,711	8,255,600	8,996,311
Acquisitions	-	1,865,169	1,865,169
Reclassification	-	-	-
Transfers	(740,711)	740,711	-
Write off	-	(512,802)	(512,802)
Balance at 31 December 2015	<u>-</u>	<u>10,348,678</u>	<u>10,348,678</u>

December 2014

Balance at 1 January 2014	-	6,002,340	6,002,340
Acquisitions	740,711	2,253,260	2,993,971
Balance at 31 December 2014	<u>740,711</u>	<u>8,255,600</u>	<u>8,996,311</u>

Amortization and impairment losses

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	<u>-</u>	<u>5,370,770</u>	<u>5,370,770</u>

Balance at 1 January 2014	-	3,340,787	3,340,787
Amortization for the period	-	1,218,710	1,218,710
Balance at 31 December 2014	<u>-</u>	<u>4,559,497</u>	<u>4,559,497</u>

Carrying amounts

Balance at 31 December 2015	<u>-</u>	<u>4,977,908</u>	<u>4,977,908</u>
Balance at 31 December 2014	<u>740,711</u>	<u>3,696,103</u>	<u>4,436,814</u>

There were no capitalised borrowing costs related to the internal development of software during the period under review. 31 December 2015 (2014: 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.

Work in progress (WIP) represents the costs being incurred and capitalised for the upgrade and subsequent deployment of the the Bank's core banking software. The write offs of N512,802,000 is the carrying value of the now discontinued core banking application following an upgrade to flexcube 12x.

Amortization method used is straight line.

29(b) Intangible assets**(i) Goodwill is attributable to the acquisition of following subsidiaries:**

<i>In thousands of Naira</i>	December 2015	December 2014
Access Bank Rwanda	<u>681,007</u>	<u>681,007</u>
	<u>681,007</u>	<u>681,007</u>

There were no capitalised borrowing costs related to the internal development of software during the period ended 31 December 2015 (31 December 2014: nil). The recoverable amount of Goodwill as at 31 December 2015 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 31 December 2015 (31 December 2014: Nil)

The recoverable amount of Goodwill as at 31 December 2015 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 goodwill in 2015 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%

- (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 goodwill (Access Bank Rwanda). This discount rate was estimated using the risk-free rate and the country risk premium for Rwanda.

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.

Sensitvity 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)

Notes to the consolidated financial statements
For the year ended 31 December 2015

30 Deferred tax assets and liabilities

(a) Group

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira

	December 2015			December 2014		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	11,259,522	-	11,259,522	6,625,004	-	6,625,004
Allowances/(Reversal) for loan losses	10,791,440	-	10,791,440	2,417,726	-	2,417,726
Tax loss carry forward	9,385,122	-	9,385,122	2,339,675	-	2,339,675
Exchange gain/(loss) unrealised	-	(22,630,791)	(22,630,791)	-	(1,438,632)	(1,438,632)
Fair value gain on investment property	-	(13,349)	(13,349)	-	(560,029)	(560,029)
Employee benefits	4,452	(111,469)	(107,017)	-	-	-
Actuarial loss on retirement benefit obligation	1,894,041	-	1,894,041	1,439,202	-	1,439,202
Deferred tax assets (net)	33,334,577	(22,755,609)	10,578,968	12,821,606	(1,998,661)	10,822,945

(b) Bank

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira

	December 2015			December 2014		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	11,092,769	-	11,092,769	6,399,965	-	6,399,965
Allowances/(Reversal) for loan losses	10,496,790	-	10,496,790	2,292,341	-	2,292,341
Tax loss carry forward	9,328,023	-	9,328,023	1,936,652	-	1,936,652
Exchange gain/(loss) unrealised	-	(22,630,791)	(22,630,791)	-	(1,379,594)	(1,379,594)
Fair value gain on investment property	-	-	-	-	(560,029)	(560,029)
Actuarial loss on retirement benefit obligation	1,894,041	-	1,894,041	1,439,202	-	1,439,202
Net deferred tax assets/(liabilities)	32,811,623	(22,630,791)	10,180,832	12,068,160	(1,939,623)	10,128,537

There were no unrecognized deferred tax assets or liabilities as at 31 December 2015 (31 December 2014: nil)

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Deferred income tax assets				
- Deferred income tax asset to be recovered after more than 12 months	20,176,562	4,757,401	19,824,813	4,228,993
- Deferred income tax asset to be recovered within 12 months	13,158,015	8,064,206	12,986,810	7,839,167
	33,334,577	12,821,607	32,811,623	12,068,160

Deferred income tax liabilities

- Deferred income tax liability to be recovered after more than 12 months	(22,630,791)	(560,029)	(22,630,791)	(560,029)
- Deferred income tax liability to be recovered within 12 months	(124,818)	(1,438,632)	-	(1,379,594)
	(22,755,609)	(1,998,661)	(22,630,791)	(1,939,623)

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

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>				
Balance, beginning of year	10,822,946	10,649,774	10,128,537	9,847,852
Tax charge	(684,222)	(140,424)	(402,545)	(144,234)
Translation adjustments	(14,594)	(111,324)	-	-
Items included in OCI	454,839	424,920	454,839	424,919
Net deferred tax assets/(liabilities)	10,578,969	10,822,946	10,180,831	10,128,537
<i>Out of which</i>				
Deferred tax assets	33,334,577	12,821,606	32,811,623	12,068,160
Deferred tax liabilities	(22,755,609)	(1,998,661)	(22,630,791)	(1,939,623)

Temporary difference relating to the Group's Investment in subsidiaries as at December 2015 is N3.0billion (Dec 2014: N1.3 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 December 2015	Group December 2014	Bank December 2015	Bank December 2014
Actuarial gain/loss on retirement benefit obligation				
Gross loss on retirement benefit obligation	1,516,131	1,416,394	1,516,131	1,416,394
Deferred tax @ 30%	(454,839)	(424,919)	(454,839)	(424,919)
Net balance loss after tax	1,061,292	991,475	1,061,292	991,475

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 by the 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

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Balance at 1 January 2015	23,438,484	-	23,438,484	-
Transfer from investment properties	-	22,688,484	-	22,688,484
Disposals	(23,258,641)	-	(23,258,641)	-
Fair value gain on assets held for sale	-	750,000	-	750,000
Balance at 31 December 2015	179,843	23,438,484	179,843	23,438,484

In the course of the year, the Bank disposed of its landed property at Maiyegun water front in order to comply with the CBN directive on non-core assets. Plans are in place to dispose of the remaining assets.

32 Deposits from financial institutions

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Money market deposits	35,923,012	89,965,383	1,522,968	72,171,314
Trade related obligations to foreign banks	36,991,409	29,080,040	61,820,817	62,338,348
	72,914,421	119,045,423	63,343,785	134,509,662

33 Deposits from customers

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Term deposits	706,327,211	629,193,734	632,818,563	586,973,213
Demand deposits	838,954,263	695,850,419	767,609,081	616,476,341
Saving deposits	137,962,846	129,374,899	127,786,239	121,351,057
	1,683,244,320	1,454,419,052	1,528,213,883	1,324,800,611

34 Other liabilities

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Financial liabilities				
Certified and bank cheques	1,780,404	3,166,277	1,676,220	1,978,995
E-banking payables	8,925,439	2,769,805	8,920,286	1,830,591
Collections account balances	28,271,575	2,355,222	28,249,768	1,695,416
Due to subsidiaries	-	-	914,789	389,662
Accruals	2,214,382	104,309	747,829	32,438
Creditors	1,904,665	1,316,758	1,622,762	469,209
Customer deposits for foreign exchange	7,973,447	8,700,913	7,973,447	8,594,218
Agency services	9,506	289,769	9,506	253,264
Unclaimed dividend	10,350,486	-	10,350,486	-
Other financial liabilities	3,847,417	1,498,749	2,406,392	434,396
	65,277,321	20,201,802	62,871,485	15,678,189
Non-financial liabilities				
Litigation claims provision (see (i)below)	1,220,780	311,120	1,220,780	311,120
Other current non-financial liabilities	2,857,846	1,176,157	2,093	880,823
Total other liabilities	69,355,947	21,689,079	64,094,358	16,870,132

Notes to the consolidated financial statements
For the year ended 31 December 2015

(i) Movement in litigation claims provision	<u>Group</u> <u>December 2015</u>	<u>Group</u> <u>December 2014</u>	<u>Bank</u> <u>December 2015</u>	<u>Bank</u> <u>December 2014</u>
Opening balance	311,120	477,087	311,120	477,087
Additions	920,200	134,033	920,200	134,033
Provision no longer required	<u>(10,540)</u>	<u>(300,000)</u>	<u>(10,540)</u>	<u>(300,000)</u>
Closing balance	<u>1,220,780</u>	<u>311,120</u>	<u>1,220,780</u>	<u>311,120</u>

35 Debt securities issued	<u>Group</u> <u>December 2015</u>	<u>Group</u> <u>December 2014</u>	<u>Bank</u> <u>December 2015</u>	<u>Bank</u> <u>December 2014</u>
<i>In thousands of Naira</i>				
Debt securities at amortized cost:				
Eurobond debt from Access Bank B.V (see (i) below)	71,336,985	65,325,788	-	-
Eurobond debt security (see (ii) below)	<u>78,516,655</u>	<u>73,155,391</u>	<u>78,516,655</u>	<u>73,155,391</u>
	<u>149,853,640</u>	<u>138,481,179</u>	<u>78,516,655</u>	<u>73,155,391</u>

(i) This refers to US\$350,000,000 guaranteed notes with amortized cost of N71,336,985,000 as at 31 December 2015 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 N78,516,655,000 of 9.25% resettable interest issued on 24 December 2014 by Access Bank Nigeria with a maturity date of 24 December 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 December 2015	Group December 2014	Bank December 2015	Bank December 2014
African Development Bank (see note (a))	18,920,425	18,597,477	18,920,425	18,597,477
Netherlands Development Finance Company (see note (b))	1,363,990	4,148,590	1,363,990	4,148,590
French Development Finance Company (see note (c))	10,212,950	8,066,584	10,212,950	8,066,584
Finnish Fund for Industrial Cooperation (FINFUND)(see note (d))	-	156,136	-	156,136
European Investment Bank (see note (e))	14,237,242	9,736,463	14,237,242	9,736,463
International Finance Corporation (see note (f))	4,997,286	7,716,067	4,997,286	7,716,067
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (g))	5,544,920	3,943,692	5,544,920	3,943,692
Bank of Industry-Intervention Fund for SMEs (see note (h))	7,193,737	9,025,449	7,193,737	9,025,449
Bank of Industry-Power & Airline Intervention Fund (see note (i))	15,188,861	14,407,194	15,188,861	14,407,194
Access Finance B.V. (see note (j))	-	-	71,523,252	66,529,458
Special Refinancing & Restructuring Intervention fund (SRRIF) see note (k)	6,844,633	4,000,000	6,844,633	4,000,000
Central Bank of Nigeria - Salary Bailout facilities (see note (l))	-	-	56,442,213	-
Central Bank of Nigeria - Excess Crude Account (see note (m))	90,000,000	-	90,000,000	-
Other loans and borrowings	520,904	18,657	450,478	18,657
	231,467,161	79,816,309	302,919,987	146,345,767

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

- (a) The amount of N18,920,424,582 (USD 94,934,393) 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 and the other in August 2014 (USD 90m) for a period of 10 years. The principal amount is repayable semi-annually from February 2010 for the first tranche and February 2017 for the second. Interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.28% and 2.00% respectively. From this creditor, the bank has nil undrawn balance as at 31 December 2015.
- (b) The amount of N1,363,989,927 (USD 6,843,903) 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 two tranches; February 2013 (USD 10m) and October 2013 (USD 15m) for a period of 6.5 years. The principal amount is repayable semi-annually from December 2014 while interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 5.20% for the first tranche and 4.04% for the second tranche. From this creditor, the bank has nil undrawn balance as at 31 December 2015.
- (c) The amount of N10,212,949,627 (USD 51,244,102) 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 31 December 2015.
- (d) This represents the outstanding balance in the on-lending facility granted to the Bank by the Finnish Fund for Industrial Cooperation in July 2007 for a period of 8 years. The principal amount was repayable semi-annually from September 2012 while interest was paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate was 4.45%. The facility was fully repaid on the 15th March 2015.
- (e) The amount of N14,237,241,797 (USD 71,436,236) represents the outstanding balance on four 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) and September 2015 (USD 29.75m) for a period of 6 years each and the latter maturing on April 2023. The average annual effective interest rates are 3.6%, 3.05%, 3.18% and 3.58%. From this creditor, the bank has an undrawn balance of (USD 29.75m) at 31 December 2015.
- (f) The amount of N4,997,286,419 (USD 25,074,192) 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 6 months LIBOR. The annual effective interest rate is 4.80%. From this creditor, the bank has nil undrawn balance as at 31 December 2015.
- (g) The amount of N5,544,920,058 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 31 December 2015.
- (h) The amount of N7,193,736,648 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 31 December 2015.
- (i) The amount of N15,188,860,503 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 31 December 2015.

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- (j) The amount of N71,523,251,510 (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 31 December 2015.
- (k) 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 31 December 2015.
- (l) The amount of N56,442,213 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 31 December 2015.
- (m) The amount of N90,000,000,000 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. From this creditor, the bank has nil undrawn balance as at 31 December 2015.

37 Retirement benefit obligations

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Recognised liability for defined benefit obligations (see note (a) below)	5,567,800	3,267,364	5,567,800	3,267,364
Liability for defined contribution obligations	-	1,736	-	-
	<u>5,567,800</u>	<u>3,269,100</u>	<u>5,567,800</u>	<u>3,267,364</u>

(a) Defined benefit obligations

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

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Long term incentive plan (see note (i) below)	5,567,800	3,267,364	5,567,800	3,267,364
Recognised liability	<u>5,567,800</u>	<u>3,267,364</u>	<u>5,567,800</u>	<u>3,267,364</u>

(i) Long term incentive 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:

<i>In thousands of Naira</i>	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
Deficit on defined benefit obligations at 1 January	3,267,364	1,929,695	3,267,364	1,929,695
Charge for the period:				
-Interest costs	466,121	241,705	466,121	241,705
-Current service cost	318,184	179,570	318,184	179,570
-Past service cost	-	-	-	-
-Benefits paid	-	(500,000)	-	(500,000)
Net actuarial loss for the period remeasured in OCI	-	-	-	-
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	(415,090)	216,864	(415,090)	216,864
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	1,931,221	1,199,530	1,931,221	1,199,530
Balance, end of period	<u>5,567,800</u>	<u>3,267,364</u>	<u>5,567,800</u>	<u>3,267,364</u>

Expense recognised in income statement:

Current service cost	318,184	179,570	318,184	179,570
Interest on obligation	466,121	241,705	466,121	241,705
Total expense recognised in profit and loss (see Note 14)	<u>784,305</u>	<u>421,275</u>	<u>784,305</u>	<u>421,275</u>

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

31 December 2015*In thousands of Naira*

	Impact on defined benefit obligation	
	Decrease in assumption by 1%	Liability changes to
Effect of changes in the assumption to the discount rate	Increase in liability by 7.7%	5,996,911
Effect of changes in assumption to the salary growth	Decrease in liability by 6.75%	5,194,354
Effect of changes in assumption to the mortality rate	Decrease in liability by 6.75%	5,566,289

	Impact on defined benefit obligation	
	Increase in assumption by 1%	Liability changes to
Effect of changes in the assumption to the discount rate		5,180,880
Effect of changes in assumption to the salary growth	Increase in the liability by 7.3%	5,975,830
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.03%	5,569,471

31 December 2014*In thousands of Naira*

	Impact on defined benefit obligation	
	Decrease in assumption by 1%	Liability changes to
Effect of changes in the assumption to the discount rate	Decrease in liability by 6.0%	3,070,360
Effect of changes in assumption to the salary growth	Increase in liability by 6.5%	3,479,070

	Impact on defined benefit obligation	
	Increase in assumption by 1%	Liability changes to
Effect of changes in the assumption to the discount rate	Increase in the liability by 6.7%	3,485,329
Effect of changes in assumption to the salary growth	Decrease in the liability by 5.9%	3,074,305

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.

Notes to the consolidated financial statements
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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.

	December 2015	December 2014
Discount rate	11.40%	13.00%
Future salary increases	10.00%	4.50%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	3.40%	3.25%
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 31 December 2015. 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 December 2015	Bank December 2014
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each (2013: 24,000,000,000 ordinary share of 50k each)	19,000,000	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	<u>1,000,000</u>	<u>1,000,000</u>
	<u>20,000,000</u>	<u>20,000,000</u>

In thousands of Naira

	Bank December 2015	Bank December 2014
(b) Issued and fully paid-up :		
28,927,971,631 Ordinary shares of 50k each	<u>14,463,986</u>	<u>11,441,460</u>

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:

	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>		
Balance, beginning of year	11,441,460	11,441,460
Additions through issuance of rights	<u>3,022,526</u>	-
Balance, end of period	<u>14,463,986</u>	<u>11,441,460</u>

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

	Group December 2015	Group December 2014
<i>In thousands of units</i>		
Balance, beginning of year	22,882,919	22,882,919
Additions through issuance of rights	<u>6,045,053</u>	-
Balance, end of year	<u>28,927,972</u>	<u>22,882,919</u>

B Share premium

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

In thousands of Naira	Group December 2015	Group December 2014
Balance, beginning of year	161,036,211	161,036,211
Additions through issuance of rights	<u>36,938,605</u>	<u>-</u>
Balance, end of year	<u>197,974,816</u>	<u>161,036,211</u>

During the period, the Bank issued Rights of 7,627,639,636 Ordinary Shares of 50 Kobo each on the basis of One (1) New Ordinary Share for every Three (3) Ordinary Shares at N6.90 Kobo per share to its existing shareholders and also created room for prospective investors to invest in the Bank. The offer opened on January 26, 2015 and closed on March 18, 2015. A total of 24,016 acceptances for 6,792,619,568 units valued at N46,869,075,019.20 were received in connection with the Rights issue.

Consequent to the conclusion of Central Bank of Nigeria's verification, a total of 23,982 acceptances for 6,045,052,723 units valued at N41,710,863,788.70 were received and processed successfully in connection with the Rights Issue. The amount recognised in Share capital and Share premium is net of all associated costs incurred in the course of raising the capital.

These shares have been added to the existing shares of the company on the Nigerian Stock Exchange on 30 August, 2015.

By this action, the total outstanding shares of Access Bank Plc now stands at 28,927,971,631 units.

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 used 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 reduce 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

	Group December 2015	Group December 2014
In thousands of Naira		
Access Bank, Gambia	735,523	649,264
Access Bank, Sierra Leone	42,848	36,763
Access Bank Zambia	156,847	243,623
Access Bank, Rwanda	617,765	587,337
Access Bank, Congo	868,669	703,604
Access Bank, Ghana	1,478,314	1,310,252
	<u>3,899,966</u>	<u>3,530,843</u>

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

	Group December 2015	Group December 2014
In thousands of Naira		
Access Bank, Gambia	106,232	109,562
Access Bank, Sierra Leone	1,876	1,078
Access Bank Zambia	1,140	(43,609)
Access Bank, Rwanda	25,066	41,247
Access Bank, Congo	68,906	62,585
Access Bank, Ghana	333,013	390,020
	<u>536,233</u>	<u>560,883</u>

During the year, Access bank Ghana paid dividend to its shareholders. The amount paid to NCI is N39.69Mn (Dec 2014 : N44.14Mn)

	Group December 2015	Group December 2014
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

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E Dividends

	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>		
Interim dividend paid (2015: 25k, 2014: 25k)	7,231,993	5,720,730
Final dividend paid (2014: 35k)	-	8,009,022
	<u>7,231,993</u>	<u>13,729,752</u>
Number of shares	28,927,972	22,882,919

The Directors proposed a final dividend of No.30 for the year ended 31 December 2015

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 N1.22bn has been made for the year ended 31 December 2015. 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 indemnities. 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:

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>				
Contingent liabilities:				
Transaction related bonds and guarantees	221,127,530	165,466,393	218,067,025	145,831,160
Financial guarantees	94,135,927	91,373,327	91,640,933	72,221,845
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	657,586,492	377,152,396	600,895,192	372,652,653
	<u>972,849,949</u>	<u>633,992,116</u>	<u>910,603,150</u>	<u>590,705,658</u>

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 year amounted to N330.9Mn (31 Dec 2014: N1.99Bn)

40 Cash and cash equivalent

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

	Group December 2015	Group December 2014	Bank December 2015	Bank December 2014
<i>In thousands of Naira</i>				
Cash on hand and balances with banks	80,060,004	44,519,023	52,307,364	31,313,736
Unrestricted balances with central banks	90,721,388	32,060,575	74,158,434	22,262,582
Money market placements	52,433,982	65,813,241	26,111,216	36,965,179
Investment under management	10,403,608	-	10,403,608	-
Treasury bills with original maturity of 90days	425,129	10,355,560	425,129	10,355,559
	<u>234,044,111</u>	<u>152,748,399</u>	<u>163,405,751</u>	<u>100,897,056</u>

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.

41 Comparatives

Certain prior year balances have been reclassified in line with current year presentation format. The reclassification as shown below did not impact on the bank or group results for 2014. The nature and reason for the classification are as shown below;

	Group December 2014	Bank December 2014
Other operating expenses (Note 15)	62,532,035	55,256,289
Reclassified to Other operating income	<u>165,967</u>	<u>165,967</u>
	<u>62,698,002</u>	<u>55,422,256</u>
Included in prior year other operating expense was write back on litigation claims as shown above which has now been reclassified to Other operating income		
	12,782,263	12,532,067
Other operating income (Note 12)	<u>165,967</u>	<u>165,967</u>
Reclassified from Other operating expenses	<u>12,948,230</u>	<u>12,698,034</u>
Reclassification of write back on litigation to other operating income as shown above		

42 Contraventions of the Banks and Other Financial Institutions Act of Nigeria and CBN circulars

S/N	Regulatory Body	Infraction	Penalty
i)	Central Bank of Nigeria	The bank was fined for failure to submit daily returns on sources and applications of foreign exchange funds.	N2 million
ii)	Central Bank of Nigeria	The bank was fined for failing to comply with CBN circular referenced CBN/DIR/GEN 04/014 dated April 30,2010 requiring banks to obtain quarterly credit reports for all previous loans/facilities	N2 million
iii)	Central Bank of Nigeria	The bank was fined for AML infractions (failing to obtain senior management approval for politically exposed persons (PEP) account; Non-compliance with CBN three-tiered know-your-customer (KYC) requirements; Failure to identify/document beneficial owners of 17 account in contravention of Regulation 55 of CBN AML/CFT regulation 2013; Failure to obtain resident permit and improper profiling of high risk account).	N14 million
iv)	Central Bank of Nigeria	The bank was fined for failure to meet the deadline for remittance to Treasury Single Account with the Central Bank of Nigeria	N4 million
v)	Central Bank of Nigeria	The bank was fined for non compliance with regulation 13 of BOFIA with respect to some equity investments	N27.53 million
vi)	Central Bank of Nigeria	The bank was fined for failure to obtain CBN approval before appointment of a staff	N2 million
vii)	Central Bank of Nigeria	The bank was fined for delay in remittance of an undisbursed loan under Commercial Agriculture Credit Scheme	N353.4 million
viii)	Central Bank of Nigeria	The bank was penalised for wrong/false reporting of director related facilities	N2 million
ix)	Central Bank of Nigeria	The bank was penalised for implementing its Flexcube Universal Core Banking Application without CBN approval	N2 million

43 Events after reporting date

Subsequent to the end of the reporting period, the Board of Directors proposed a final dividend of No.30k each payable to shareholders on register of shareholding at the closure date.

There are no other post balance sheet event that require disclosure in these consolidated financial statements.

44 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Access Bank Plc and its subsidiaries.

Parent

The parent company, which is also the ultimate parent company, is Access Bank Plc.

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(a) Loans and advances to related parties

The bank granted various credit facilities to other companies which have common directors with the bank and those that are members of the Group. The rates and terms agreed are comparable to other facilities being held in the bank's portfolio. Details of these are described below:

Period ended 31 December 2015	Directors and other key management personnel (and close family members)	Subsidiaries	Total
<i>In thousands of Naira</i>			
Balance, beginning of year	2,987,950	55,632,671	58,620,621
Net movement during the period	470,954	4,147,606	4,618,560
Balance, end of period	3,458,904	59,780,277	63,239,181
Interest income earned	292,092	356,129	648,221
Bad or doubtful debts due from related parties expense	-	-	-

The loans issued to directors and other key management personnel (and close family members) as at 31 December 2015 of N3.4Bn are repayable in various cycles ranging from monthly to annually over the tenor, and have average interest rates of 12.51%. The loans advanced to the directors during the year are collateralised by a combination of lien on shares of quoted companies, fixed and floating debentures, corporate guarantee, negative pledge, domiciliation of proceeds of company's receivables, legal mortgages and cash.

The loan to subsidiaries relates to a foreign currency term loan facility of USD299M granted during the period. It is a non-collateralised loan advanced at an average interest rate of 0.6%. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end.

(b) Deposits from related parties

Period Ended 31 December 2015	Directors (and close family members and related entities)	Subsidiaries	Total
<i>In thousands of Naira</i>			
Balance, beginning of year	34,195,086	40,981,851	75,176,937
Net movement during the period	(33,183,604)	20,012,499	(13,171,105)
Balance, end of period	1,011,482	60,994,350	62,005,832
Interest expenses on deposits	212,036	1,140,860	1,352,896

There are no special considerations for the related party deposits. Deposits from related parties are taken at arms length. The average rate on deposit from directors and other key management personnel which are majorly term deposit was approximately 9.39% while average rate on deposit from subsidiaries majorly demand deposits was approximately 3.15%.

(c) Borrowings from related parties

Period Ended 31 December 2015	Subsidiaries	Total
<i>In thousands of Naira</i>		
Borrowings at 1 January 2015	66,529,458	66,529,458
Net movement during the period	4,993,794	4,993,794
Borrowings at 31 December 2015	71,523,252	71,523,252
Interest expenses on borrowings	5,151,397	5,151,397

The borrowings from subsidiaries represent 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%.

(d) Other balances and transactions with related parties

<i>In thousands of Naira</i>	Directors (and close family members and related entities)	Subsidiaries	Total
Cash and cash equivalent	-	63,750,139	63,750,139
Deposit for Investments	-	1,352,595	1,352,595
Receivables	202,597	925,084	1,127,681
Payables	-	803,019	803,019
Other Liabilities	-	72,507,177	72,507,177
Fee and commission expense	-	-	-
Other operating income	-	456,432	456,432
Off balance sheet exposures	-	95,776,393	95,776,393

The receivable of N202,597 relates to proceeds from sale of securities made by the broker on behalf of the Bank

(e) Key management personnel compensation for the period comprises:

<i>In thousands of Naira</i>	December 2015	December 2014
Directors' remuneration		
Non-executive Directors		
Fees	58,125	46,500
Other emoluments:		
Allowances	305,888	268,543
	<u>364,013</u>	<u>315,043</u>
Executive directors		
Short term employee's benefit	680,435	680,435
Defined contribution plan	14,813	19,469
Share based payment	25,438	649
Long term incentive plan	-	500,000
	<u>720,686</u>	<u>1,200,553</u>
Total compensation to key management personnel	<u>1,084,699</u>	<u>1,515,596</u>

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 31 December 2015 is N2,319,798,428. 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.

Below is a schedule showing the details of the Bank's director-related lending:

S/N	Name of borrower	Relationship to reporting institution	Name of related Directors	Facility type	Outstanding Principal	Status	Nature of security
1	Combined Industrial Agro	Chairman	Mr. Gbenga Oyebode	Overdraft	147,918,325	Performing	Corporate Guarantee of Assets Management Group Limited.
2	Asset Management Group Limited	Chairman	Mr. Gbenga Oyebode	Time loan On-lending	351,412,550 656,396,378	Performing Performing	1. Pledged properties at Ikoyi Lagos 2. Personal guarantee
4	Sic Property And Investment Company Ltd	Director	Mr Ortisedere Otubu	Term Loan Time loan	612,017,141 512,516,689	Performing Performing	1. Pledged properties (being constructed) at Ikoyi Lagos. 2. Lien on property under construction
5	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	39,537,345	Performing	Cash collateral
Balance, end of period					2,319,798,428		

46 Non-audit services

During the year, the bank's auditor, PricewaterHouseCoopers, rendered non-audit services to the bank. Below are the details of the services

Service	Description	Contractual sum N'000	Amount Paid N'000
1 Recovery and resolution plan	Advisory services on development of recovery and resolution plan to be submitted to the Central Bank of Nigeria and Nigeria Deposit Insurance Corporation as part of regulatory requirements for systemically important financial institutions.	60,000	30,000
2 Feasibility study on Custodian Bank Business	Feasibility study on Custodian Banking Business in Nigeria, operating in Money Market and Fixed Income securities.	35,000	14,000
		95,000	44,000

In the bank's opinion, the provision of these services to the bank did not impair the independence and objectivity of the external auditor.

Value Added Statement*In thousands of Naira*

	Group December 2015	%	Group December 2014	%
Gross earnings	337,404,230		245,217,569	
Interest expense				
Foreign	(2,448,292)		(2,254,130)	
Local	<u>(86,104,533)</u>		<u>(65,871,070)</u>	
	248,851,405		177,092,369	
Net impairment (loss) on financial assets	(10,839,793)		(10,939,250)	
Net impairment loss on other financial assets	(4,284,977)		(713,021)	
Bought-in-materials and services				
Foreign	(2,044,934)		(740,707)	
Local	<u>(90,330,010)</u>		<u>(63,456,775)</u>	
Value added	<u>141,351,691</u>		<u>101,242,616</u>	
Distribution of Value Added				
To Employees:				
Employees costs	42,346,952	30%	31,293,540	31%
To government				
Government as taxes	9,169,344	6%	8,958,810	9%
To providers of finance				
Interest on borrowings	13,868,293	10%	8,775,880	9%
Dividend to shareholders	15,241,014	11%	13,707,782	14%
Retained in business:				
For replacement of property and equipment and intangible assets	10,098,330	7%	9,238,173	9%
For replacement of equipment on lease				
Retained profit (including Statutory and regulatory risk reserves)	50,627,759	36%	29,268,432	28%
	<u>141,351,692</u>	<u>100%</u>	<u>101,242,617</u>	<u>100%</u>

Notes to the consolidated financial statements
For the year ended 31 December 2015

Value Added Statement*In thousands of Naira*

	Bank December 2015	%	Bank December 2014	%
Gross earnings	302,061,975		221,610,769	
Interest expense				
Foreign	(2,448,292)		(2,254,130)	
Local	<u>(76,069,175)</u>		<u>(59,881,760)</u>	
	223,544,508		159,474,879	
Net impairment (loss) on financial assets	(9,902,690)		(9,896,279)	
Net impairment loss on other financial assets	(4,284,977)		(713,021)	
Bought-in-materials and services				
Foreign	(2,044,934)		(740,707)	
Local	<u>(81,863,745)</u>		<u>(59,258,585)</u>	
Value added	<u>125,448,162</u>		<u>88,866,287</u>	
Distribution of Value Added				
To Employees:				
Employees costs	35,699,471	28%	25,611,050	29%
To government				
Government as taxes	6,253,168	5%	6,201,296	7%
To providers of finance				
Interest on borrowings	15,484,411	12%	8,775,173	10%
Dividend to shareholders	15,241,014	12%	13,729,733	15%
Retained in business:				
For replacement of property and equipment	9,086,366	7%	8,337,641	9%
For replacement of equipment on lease				
Retained profit (including Statutory and regulatory risk reserves)	43,683,732	35%	26,211,394	29%
	<u>125,448,162</u>	<u>100%</u>	<u>88,866,287</u>	<u>100%</u>

Other financial Information
Five-year Financial Summary

Group	IFRS				
	December 2015	December 2014	December 2013	December 2012	Restated December 2011
	12 months N'ooo	12 months N'ooo	12 months N'ooo	12 months N'ooo	12 months N'ooo
<i>In thousands of Naira</i>					
Assets					
Cash and balances with banks	478,409,336	405,014,793	439,459,541	405,292,241	267,917,288
Investment under management	10,403,608	-	-	-	-
Non pledged trading assets	52,298,422	28,411,644	3,877,969	27,906,803	10,812,122
Pledged assets	203,715,397	87,072,147	63,409,851	60,949,856	66,191,144
Derivative financial instruments	77,905,020	24,866,681	102,123	30,949	9,909
Loans and advances to banks	42,733,910	12,435,659	24,579,875	4,564,943	775,765
Loans and advances to customers	1,365,830,831	1,110,464,441	786,169,703	604,073,399	576,228,507
Trading properties	-	-	-	2,693,227	6,688,000
Investment securities	186,223,126	270,211,388	353,811,348	447,281,811	561,733,704
Insurance receivables	-	-	-	627,337	1,405,000
Other assets	83,014,503	56,310,620	52,019,723	67,935,352	44,475,554
Investment properties	-	-	23,974,789	14,360,567	16,097,044
Investments in equity accounted investee	-	-	3,623,326	2,774,647	2,812,805
Investment in subsidiary	-	-	-	-	-
Property and equipment	73,329,927	69,659,707	67,243,305	64,634,438	67,647,817
Intangible assets	6,440,616	5,592,991	3,659,072	3,404,945	3,277,608
Deferred tax assets	10,845,612	10,881,984	10,687,635	8,113,973	2,930,928
Assets classified as held for sale	179,843	23,438,484	2,847,740	30,827,257	-
Total assets	2,591,330,151	2,104,360,539	1,835,466,000	1,745,471,745	1,629,003,195
Liabilities					
Deposits from financial institutions	72,914,421	119,045,423	72,147,956	96,893,015	135,228,759
Deposits from customers	1,683,244,320	1,454,419,052	1,331,418,659	1,201,481,996	1,101,703,921
Derivative financial instruments	3,077,927	1,989,662	32,955	35,515	9,413
Claims payable	-	-	-	118,226	450,000
Current tax liabilities	7,780,824	8,180,969	6,899,558	8,937,964	9,747,004
Other liabilities	69,355,947	21,689,079	56,847,216	58,418,260	140,772,972
Deferred tax liabilities	266,644	59,038	37,861	-	-
Liabilities on investment contracts	-	-	-	65,591	61,000
Liabilities on insurance contracts	-	-	-	3,351,234	2,703,000
Debt securities issued	149,853,640	138,481,179	55,828,248	54,685,891	-
Interest-bearing borrowings	231,467,161	79,816,309	64,338,982	48,369,849	40,837,800
Retirement benefit obligations	5,567,800	3,269,100	1,933,021	2,487,589	1,876,578
Contingent settlement provisions	-	-	-	3,548,250	3,548,000
Liabilities classified as held for sale	-	-	1,499,495	25,793,512	-
Total liabilities	2,223,528,684	1,826,949,811	1,590,983,951	1,504,186,892	1,436,938,447
Equity					
Share capital and share premium	212,438,802	172,477,671	172,477,671	176,628,255	155,104,963
Retained earnings	51,730,369	34,139,453	22,232,374	17,856,630	(6,744,577)
Other components of equity	99,732,330	67,262,761	48,003,894	38,700,374	20,649,521
Non controlling interest	3,899,966	3,530,843	1,768,110	8,099,594	23,054,841
Total equity	367,801,467	277,410,728	244,482,049	241,284,853	192,064,748
Total liabilities and Equity	2,591,330,151	2,104,360,539	1,835,466,000	1,745,471,745	1,629,003,195
Gross earnings	337,404,230	245,217,569	206,891,219	197,081,930	135,635,180
Profit before income tax	75,038,117	52,022,290	44,996,410	46,534,979	27,107,026
Profit from continuing operations	65,868,773	43,063,479	36,101,830	44,839,636	17,077,918
Discontinued operations	-	(87,267)	265,760	-	(1,699,596)
Profit for the period	65,868,773	42,976,212	36,367,590	39,328,275	15,378,322
Non controlling interest	536,233	560,883	195,762	(191,904)	879,093
Profit attributable to equity holders	65,332,540	42,415,329	36,171,828	39,520,179	14,499,229
Dividend paid	15,910,384	13,729,777	13,729,777	12,588,538	12,588,538
Earning or (loss) per share -Basic	265k	189k	159k	172k	172k
- Adjusted	262k	189k	159k	172k	172k
Number of ordinary shares of 50k	28,927,972	22,882,918,908	22,882,918,908	22,882,918,908	22,882,918,908

Notes to the consolidated financial statements
For the year ended 31 December 2015

Other financial Information
Five-year Financial Summary

Bank	IFRS				
	December 2015	December 2014	Restated December 2013	Restated December 2012	December 2011
	12 months N'000	12 months N'000	12 months N'000	12 months N'000	12 months N'000
<i>In thousands of Naira</i>					
Assets					
Cash and balances with banks	405,998,636	351,174,879	395,808,747	284,062,159	131,647,158
Investment under management	10,403,608				
Non pledged trading assets	52,298,422	28,411,644	3,877,969	3,769,260	5,787,534
Pledged assets	200,464,624	85,183,353	63,347,823	60,949,856	66,191,144
Derivative financial instruments	77,852,349	24,831,145	72,675	-	-
Loans and advances to banks	60,414,721	55,776,837	13,048,651	3,054,520	775,765
Loans and advances to customers	1,243,215,309	1,019,908,848	735,300,741	554,592,199	490,877,501
Trading properties	-	-	-	-	-
Investment securities	155,994,798	226,137,983	309,071,802	420,346,295	127,420,035
Insurance receivables	-	-	-	-	-
Other assets	78,623,381	48,246,307	44,326,360	61,431,658	15,676,950
Investment properties	-	-	23,974,789	14,072,673	12,417,043
Investments in equity accounted investee	-	-	1,521,812	1,980,808	-
Investment in subsidiary	45,439,246	40,120,572	38,029,992	43,209,688	80,400,287
Property and equipment	65,900,384	64,160,327	63,203,245	58,938,450	17,042,268
Intangible assets	4,977,908	4,436,814	2,661,553	2,339,510	1,146,412
Deferred tax assets	10,180,832	10,128,537	9,847,853	7,007,387	-
Assets classified as held for sale	179,843	23,438,484	-	-	-
Total assets	2,411,944,061	1,981,955,730	1,704,094,012	1,515,754,463	949,382,097
Liabilities					
Deposits from banks	63,343,785	134,509,662	61,295,352	16,312,516	131,494,136
Deposits from customers	1,528,213,883	1,324,800,611	1,217,176,793	1,093,979,220	522,922,292
Derivative financial instruments	2,416,378	1,737,791	-	-	-
Debt securities issued	78,516,655	73,155,391	-	-	-
Claims payable	-	-	-	-	-
Current tax liabilities	6,442,311	7,113,226	6,075,590	7,686,568	2,084,899
Other liabilities	64,094,358	16,870,132	52,092,559	50,246,164	61,029,366
Retirement benefit obligations	5,567,800	3,267,364	-	2,485,093	1,149,578
Liabilities on investment contracts	-	-	-	-	-
Liabilities on insurance contracts	-	-	-	-	-
Interest-bearing borrowings	302,919,987	146,345,767	120,342,026	103,872,441	40,823,345
Contingent settlement provisions	-	-	1,929,695	3,548,250	-
Deferred tax liabilities	-	-	-	-	2,841,403
Liabilities classified as held for sale	-	-	-	-	-
Total liabilities	2,051,515,157	1,707,799,944	1,458,912,015	1,278,130,252	762,345,019
Equity					
Share capital and share premium	212,438,802	172,477,671	172,477,671	176,628,255	155,104,963
Retained earnings	49,459,102	36,499,779	23,095,392	18,880,711	3,376,997
Other components of equity	98,531,000	65,178,336	49,608,934	42,115,245	28,555,118
Total equity	360,428,904	274,155,786	245,181,997	237,624,211	187,037,078
Total liabilities and Equity	2,411,944,061	1,981,955,730	1,704,094,012	1,515,754,463	949,382,097
Gross earnings	302,061,975	221,610,769	180,230,976	172,719,708	98,518,061
Profit before income tax	65,177,914	46,142,422	31,365,396	36,259,530	12,141,462
Profit for the period	65,868,773	39,941,126	26,211,844	35,815,611	5,248,866
Dividend paid	15,910,384	13,729,777	13,729,777	12,588,538	12,588,538
Earning or (loss) per share -Basic	237k	174k	114k	157k	157k
- Adjusted	237k	174k	114k	157k	157k
Number of ordinary shares of 50k	28,927,972	22,882,918,908	22,882,918,908	22,882,918,908	22,882,918,908