ACCESS BANK PLC

UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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ACCESS BANK PLC
Index to the consolidated financial statements
For the period ended 30 September 2018

Corporate information

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

Directors

Mosun Belo-Olusoga	Chairman/Non-Executive Director
Herbert Onyewumbu Wigwe	Group Managing Director/Executive Director
Roosevelt Michael Ogbonna	Group Deputy Managing Director/Executive Director
Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Paul Usoro, SAN	Non-Executive Director
Abba Mamman Tor Habib	Non-Executive Director
Ernest Chukwuka Ndukwe	Independent Non-Executive Director
Ajoritsedere Josephine Awosika	Independent Non-Executive Director
Mr. Adeniyi Adekoya	Independent Non-Executive Director
Iboroma Akpana	Independent Non-Executive Director
Victor Okenyenbunor Etuokwu	Executive Director
Titi Osuntoki	Executive Director
Gregory Jobome	Executive Director
Hadiza Ambursa	Executive Director
Mr. Adeolu Bajomo*	Executive Director

* Appointed effective January 4, 2018

Company Secretary
Mr Sunday Ekwochi

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FRC Number: FRC/2012/0000000000271

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Landmark Towers, 5b Water Corporation way, Oniru
Victoria Island, Lagos
Telephone: (01) 271 1700
Website: www.pwc.com/ng

Actuaries
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Victoria Island, Lagos
Telephone: (01) 271 1081
FRC Number: FRC/2012/0000000000504

Registrars
United Securities Limited
10 Amodu Ojikutu Street
Victoria Island, Lagos
Telephone: +234 01 730898
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Consolidated and separate statement of comprehensive income

In thousands of Naira	*Notes*	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Interest income	8	274,497,016	245,873,036	230,439,468	212,028,054
Interest expense	8	(151,547,195)	(124,400,338)	(138,815,616)	(111,511,415)
Net interest income		122,949,821	121,472,699	91,623,852	100,516,639
Net impairment charge	9	(8,353,312)	(12,823,501)	(7,875,384)	(11,479,346)
Net Interest Incomeafter impairment charges		114,596,511	108,649,198	83,748,468	89,037,293
Fee and commission income	10	43,527,191	38,798,495	33,269,026	30,585,347
Fee and commission expense		(338,874)	(366,902)	-	-
Net fee and commission income		43,188,317	38,431,592	33,269,026	30,585,347
Net gains/(loss) on investment securities	11a,b	75,102,421	(41,222,809)	74,378,943	(41,426,323)
Net foreign exchange (loss)/income	12	(29,579,815)	116,456,194	(35,057,855)	113,895,248
Other operating income	13	11,683,545	5,150,047	10,185,818	4,632,916
Personnel expenses	14	(41,449,845)	(43,502,510)	(29,716,526)	(34,283,972)
Rent expenses		(3,262,758)	(2,510,432)	(1,487,719)	(1,239,241)
Depreciation	28	(10,380,513)	(8,449,402)	(8,801,914)	(7,231,383)
Amortization	29	(2,064,764)	(1,781,056)	(1,715,831)	(1,426,760)
Other operating expenses	15	(87,564,761)	(98,310,679)	(77,219,707)	(89,736,608)
Profit before tax		70,268,337	72,910,142	47,582,703	62,806,518
Income tax	16	(7,357,250)	(16,514,273)	(5,110,382)	(15,143,908)
Profit for the period		**62,911,088**	**56,395,869**	**42,472,320**	**47,662,610**
Other comprehensive income (OCI) net of income tax :					
Items that may be subsequently reclassified to the income statement:					
Foreign currency translation differences for foreign subsidiaries					
- Unrealised gains during the period		352,034	13,183,098	-	-
Net changes in fair value of FVOCI financial instruments					
-Fair value changes during the period		(8,315,216)	7,588,930	(8,992,601)	7,184,249
-Net changes in allowance on FVOCI financial instruments		-	-	-	-
Other comprehensive (loss)/gain, net of related tax effects		(7,963,182)	20,772,028	(8,992,601)	7,184,249
Total comprehensive income for the period		**54,947,906**	**77,167,897**	**33,479,719**	**54,846,860**
Profit attributable to:					
Owners of the bank		61,964,269	56,085,259	42,472,320	47,662,610
Non-controlling interest	38	946,819	310,610	-	-
Profit for the period		**62,911,088**	**56,395,869**	**42,472,320**	**47,662,610**
Total comprehensive income attributable to:					
Owners of the bank		53,649,053	76,657,297	33,479,719	54,846,860
Non-controlling interest		1,298,853	510,600	-	-
Total comprehensive income for the period		**54,947,906**	**77,167,897**	**33,479,719**	**54,846,860**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	218	197	147	165
Diluted (kobo)	17	214	194	147	165

The notes are an integral part of these consolidated financial statements.

Consolidated and separate statement of comprehensive income
For 3 months to 30 September 2018

In thousands of Naira	**Group 3 Months to September 2018**	**Group 3 Months to September 2017**	**Bank 3 Months to September 2018**	**Bank 3 Months to September 2017**
Interest income	84,810,610	83,967,726	72,032,633	70,733,011
Interest expense	(50,157,233)	(45,536,817)	(45,273,180)	(39,660,722)
Net interest income	34,653,377	38,430,909	26,759,453	31,072,289
Net impairment charge	(1,013,105)	(2,460,721)	(1,037,021)	(2,264,226)
Net Interest Incomeafter impairment charges	33,640,272	35,970,188	25,722,432	28,808,063
Fee and commission income	16,242,324	13,721,947	12,860,954	10,718,793
Fee and commission expense	(120,977)	(116,392)	-	-
Net fee and commission income	16,121,347	13,605,554	12,860,954	10,718,793
Net gains/(loss) on investment securities	15,537,645	(37,577,279)	15,361,455	(37,654,707)
Net foreign exchange (loss)/income	4,199,334	57,433,884	2,403,641	56,644,237
Other operating income	1,416,256	933,280	878,457	746,740
Personnel expenses	(15,364,541)	(15,758,996)	(11,442,279)	(12,231,876)
Rent expenses	(1,037,637)	(844,860)	(470,582)	(386,340)
Depreciation	(3,691,274)	(3,075,926)	(3,131,086)	(2,643,110)
Amortization	(715,111)	(650,580)	(606,315)	(527,763)
Other operating expenses	(25,680,696)	(29,173,894)	(23,202,049)	(25,933,975)
Profit before tax	24,425,596	20,861,372	18,374,630	17,540,062
Income tax	(1,139,685)	(3,925,449)	(1,960,472)	(4,730,607)
Profit for the period	**23,285,911**	**16,935,923**	**16,414,157**	**12,809,455**
Other comprehensive income (OCI) net of income tax :				
Items that may be subsequently reclassified to the income statement:				
Foreign currency translation differences for foreign subsidiaries				
- Unrealised gains during the period	(3,773,901)	11,970,048	-	-
Net changes in fair value of FVOCI financial instruments				
-Fair value changes during the period	52,028	2,784,309	(921,143)	2,621,236
-Net changes in allowance on FVOCI financial instruments	(5,756)	-	-	-
Other comprehensive (loss)/gain, net of related tax effects	(3,727,629)	14,754,357	(921,143)	2,621,236
Total comprehensive income for the period	**19,558,281**	**31,690,280**	**15,493,014**	**15,430,692**
Profit attributable to:				
Owners of the bank	22,786,088	16,732,887	16,414,157	12,809,455
Non-controlling interest	499,823	203,036	-	-
Profit for the period	**23,285,911**	**16,935,923**	**16,414,157**	**12,809,455**
Total comprehensive income attributable to:				
Owners of the bank	18,259,428	31,400,954	15,493,014	15,430,692
Non-controlling interest	1,298,853	289,325	-	-
Total comprehensive income for the period	**19,558,281**	**31,690,280**	**15,493,014**	**15,430,692**
Earnings per share attributable to ordinary shareholders				
Basic (kobo)	69	112	43	53
Diluted (kobo)	68	110	43	53

Consolidated and separate statement of financial position
As at 30 September 2018

In thousands of Naira	*Notes*	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Assets					
Cash and balances with banks	18	1,317,170,268	953,944,176	843,948,481	657,144,247
Investment under management	19	21,320,190	20,257,131	21,320,190	20,257,131
Non pledged trading assets	20	27,086,349	46,854,061	21,809,735	43,016,990
Derivative financial assets	21	115,056,365	93,419,293	114,809,802	92,390,219
Loans and advances to banks	22	110,058,238	68,114,076	100,229,513	101,429,001
Loans and advances to customers	23	1,975,648,478	1,995,987,627	1,664,360,015	1,771,282,739
Pledged assets	24	283,946,088	447,114,404	283,946,088	440,503,327
Investment securities	25	446,888,591	278,167,757	290,686,099	121,537,303
Other assets	26	133,357,730	82,753,431	111,562,572	65,189,797
Investment in subsidiaries	27b	-	-	111,510,867	87,794,631
Property and equipment	28	102,532,407	97,114,640	87,103,510	83,676,722
Intangible assets	29	8,729,000	8,295,855	7,808,633	5,981,905
Deferred tax assets	30	1,046,267	740,402	-	-
		4,542,839,970	4,092,762,853	3,659,095,506	3,490,204,012
Asset classified as held for sale	31	12,332,610	9,479,967	12,191,345	9,479,967
Total assets		**4,555,172,579**	**4,102,242,820**	**3,671,286,850**	**3,499,683,979**
Liabilities					
Deposits from financial institutions	32	584,507,394	450,196,970	328,144,474	276,140,835
Deposits from customers	33	2,474,808,340	2,244,879,075	1,948,458,728	1,910,773,713
Derivative financial liabilities	21	7,223,665	5,332,177	7,092,963	5,306,450
Current tax liabilities	16	4,367,907	7,489,586	4,567,437	4,547,920
Other liabilities	34	153,187,824	253,914,174	138,371,830	238,695,686
Deferred tax liabilities	30	9,235,321	8,764,262	8,361,318	7,848,515
Debt securities issued	35	287,076,720	302,106,706	287,076,720	302,106,706
Interest-bearing borrowings	36	558,996,259	311,617,187	535,730,444	282,291,141
Retirement benefit obligation	37	3,086,010	2,495,274	3,068,635	2,481,916
Total liabilities		**4,082,489,438**	**3,586,795,411**	**3,260,872,550**	**3,030,192,882**
Equity					
Share capital and share premium	38	212,438,802	212,438,802	212,438,802	212,438,802
Retained earnings		143,354,152	117,701,679	130,169,308	120,218,603
Other components of equity	38	108,683,819	178,399,413	67,806,190	136,833,692
Total equity attributable to owners of the Bank		**464,476,773**	**508,539,894**	**410,414,300**	**469,491,097**
Non controlling interest	38	8,206,368	6,907,515	-	
Total equity		**472,683,141**	**515,447,409**	**410,414,300**	**469,491,097**
Total liabilities and equity		**4,555,172,579**	**4,102,242,820**	**3,671,286,850**	**3,499,683,979**

Signed on behalf of the Board of Directors on 21 October, 2018 by:

GROUP MANAGING DIRECTOR
Herbert Wigwe
FRC/2013/ICAN/00000001998

GROUP DEPUTY MANAGING DIRECTOR
Roosevelt Ogbonna
FRC/2017/ICAN/00000016638

CHIEF FINANCIAL OFFICER
Oluseyi Kumapayi
FRC/2013/ICAN/00000000911

Consolidated and separate statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2018	**14,463,986**	**197,974,816**	**43,420,287**	**70,562,156**	**2,031,978**	**(4,028,910)**	**3,489,080**	**36,111,322**	**26,813,500**	**117,701,679**	**508,539,894**	**6,907,515**	**515,447,409**
Changes on initial application of IFRS 9 (see note 3.30)	-	-	-	-	-	-	-		-	(78,606,471)	**(78,606,471)**	-	**(78,606,471)**
Transfers (see note 3.30)	-	-	(35,058,266)	-	-	-	-	(36,073,933)	-	71,132,199	**-**	-	**-**
Restated balance at 1 January 2018	**14,463,986**	**197,974,816**	**8,362,021**	**70,562,156**	**2,031,978**	**(4,028,910)**	**3,489,080**	**37,389**	**26,813,500**	**110,227,407**	**429,933,423**	**6,907,515**	**436,840,938**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	61,964,269	61,964,269	946,819	62,911,088
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-		-	-	352,034	352,034
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(8,315,216)	-	-	(8,315,216)	-	(8,315,216)
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**		**-**	**-**	**(8,315,216)**	**-**	**-**	(8,315,216)	352,034	**(7,963,182)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8,315,216)**	**-**	**61,964,269**	53,649,053	1,298,853	**54,947,906**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	3,519,586	6,514,756	-	-	-	-	-	(10,034,342)	-	-	-
Scheme shares	-	-	-	-	607,572	(857,845)	-	-		-	(250,273)	-	(250,273)
Vested shares	-	-	-	-	(891,720)	839,473	-	-	-	-	(52,246)	-	(52,246)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(18,803,182)	(18,803,182)	-	(18,803,182)
Total contributions by and distributions to equity holders	**-**	**-**	**3,519,586**	**6,514,756**	**(284,148)**	**(18,372)**	**-**	**-**	**-**	**(28,837,524)**	**(19,105,701)**	**-**	**(19,105,701)**
Balance at 30 September 2018	**14,463,986**	**197,974,816**	**11,881,607**	**77,076,912**	**1,747,829**	**(4,047,282)**	**3,489,080**	**(8,277,827)**	**26,813,500**	**143,354,152**	**464,476,775**	**8,206,368**	**472,683,142**

Consolidated statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share Scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2017	**14,463,986**	**197,974,816**	**42,932,550**	**62,615,212**	**1,211,978**	**(3,286,375)**	**3,489,080**	**23,240,250**	**11,992,025**	**93,614,030**	**448,247,552**	**6,247,028**	**454,494,580**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	56,085,259	56,085,259	310,610	56,395,869
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	12,996,802	-	12,996,802	186,296	13,183,098
Realised foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	-	7,575,235	-	-	7,575,235	13,695	7,588,930
Total other comprehensive income	**-**	**-**	**-**	**-**		**-**	**-**	**7,575,235**	**12,996,802**	**-**	**20,572,037**	**199,991**	**20,772,028**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,575,235**	**12,996,802**	**56,085,259**	**76,657,296**	**510,601**	**77,167,896**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	4,884,281	5,900,904	-	-	-	-	-	(10,785,185)	-	-	-
Transactions with non-controlling interests (a)	-	-	-	-	-	-	-	-	-	(6,181,748)	(6,181,748)	(1,930,978)	(8,112,726)
Scheme shares	-	-	-	-	462,553	-	-	-	-	-	462,553	-	462,553
Vested Shares	-	-	-	-	-	33,524	-	-	-	-	33,524	-	33,524
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(18,803,182)	(18,803,182)	-	(18,803,182)
Total contributions by and distributions to equity holders	**-**	**-**	**4,884,281**	**5,900,904**	**462,553**	**33,524**	**-**	**-**	**-**	**(35,770,115)**	**(24,488,853)**	**(1,930,978)**	**(26,419,830)**
Balance at 30 September 2017	**14,463,986**	**197,974,816**	**47,816,831**	**68,516,117**	**1,674,531**	**(3,252,851)**	**3,489,080**	**30,815,485**	**24,988,827**	**113,929,173**	**500,415,994**	**4,826,650**	**505,242,645**

Statement of changes in equity
In thousands of Naira

Bank	**Share capital**	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserve**	**Share Scheme reserve**	**Capital Reserve**	**Fair value reserve**	**Retained earnings**	**Total Equity**
Balance at 1 January, 2018	**14,463,986**	**197,974,816**	**35,058,266**	**60,986,896**	**2,031,978**	**3,489,081**	**35,267,471**	**120,218,603**	**469,491,097**
Changes on initial application of IFRS 9 (see note 3.30)	-	-	-	-	-	-		(73,469,186)	**(73,469,186)**
Transfers (see note 3.30)	-	-	(35,058,266)	-	-	-	(36,073,933)	71,132,199	-
Restated balance at 1 January 2018	**14,463,986**	**197,974,816**	-	**60,986,896**	**2,031,978**	**3,489,081**	**(806,462)**	**117,881,616**	**396,021,911**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	42,472,320	**42,472,320**
Other comprehensive income, net of tax									
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(8,992,601)	-	**(8,992,601)**
Net changes in allowance on FVOCI financial instruments									-
Total other comprehensive income	-	-	-	-	-	-	**(8,992,601)**	-	**(8,992,601)**
Total comprehensive income	-	-	-	-	-	-	**(8,992,601)**	**42,472,320**	**33,479,719**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	652,000	10,729,446	-	-	-	(11,381,446)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(18,803,182)	**(18,803,182)**
Scheme shares	-	-	-	-	555,325	-	-	-	**555,325**
Vested shares	-	-	-	-	(839,473)	-	-	-	**(839,473)**
Total contributions by and distributions to equity holders	-	-	**652,000**	**10,729,446**	**(284,147)**	-	-	**(30,184,628)**	**(19,087,330)**
Balance at 30 September 2018	**14,463,986**	**197,974,816**	**652,000**	**71,716,342**	**1,747,830**	**3,489,081**	**(9,799,063)**	**130,169,308**	**410,414,301**

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, 2017	**14,463,986**	**197,974,816**	**35,058,266**	**53,001,072**	**1,008,118**	**3,489,081**	**23,354,093**	**93,329,188**	**421,678,620**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	47,662,610	**47,662,610**
Other comprehensive income, net of tax									
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	7,184,249	-	**7,184,249**
Total other comprehensive income	-	-	-	-	-	-	**7,184,249**	-	**7,184,249**
Total comprehensive income	-	-	-	-	-	-	**7,184,249**	**47,662,610**	**54,846,860**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	-	5,227,973	-	-	-	(5,227,973)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(18,803,182)	**(18,803,182)**
Scheme shares	-	-	-	-	395,045	-	-	-	**395,045**
Vested Shares	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	-	-	-	**5,227,973**	**395,045**	-	-	**(24,031,155)**	**(18,408,136)**
Balance at 30 September 2017	**14,463,986**	**197,974,816**	**35,058,266**	**58,229,045**	**1,403,163**	**3,489,081**	**30,538,342**	**116,960,643**	**458,117,344**

Consolidated statement of cash flows

In thousands of Naira	Note	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Cash flows from operating activities					
Profit before income tax		70,268,337	72,910,142	47,582,703	62,806,518
Adjustments for:					
Depreciation	28	10,380,513	8,449,402	8,801,914	7,231,383
Amortization	29	2,064,764	1,781,056	1,715,831	1,426,760
Gain on disposal of property and equipment	13	(612,839)	(11,753)	(589,041)	(6,451)
Unrealised gains on derivative financial instruments			39,052,124	-	39,094,958
Impairment of FVOCI debt		46,272	-	5,756	-
Impairment on financial assets	9	8,353,312	12,823,501	7,875,384	11,479,346
Additional gratuity provision	14	586,719	627,891	586,719	627,891
Equity share-based payment expense		607,571	462,553	555,325	395,045
Restricted share performance plan expense	14	-	-	-	-
Property and equipment written off	28	-	264,051	-	-
Fair value gain on financial assets at FVPL		(33,563,840)	-	(33,563,840)	-
Net interest income	8	(122,949,821)	(121,472,699)	(91,623,852)	(100,516,638)
Unrealised foreign exchange loss on revaluation	12	20,960,523	323,824	20,441,314	323,824
Dividend income		(2,729,747)	(2,357,176)	(2,729,747)	(2,357,176)
Interest paid on deposits to banks and customers		(117,382,004)	-	(105,463,921)	-
Interest received on loans and advances		209,290,063	-	180,328,095	-
Dividends on available for sale equity securities	13	-	-	-	-
		45,319,824	12,852,917	33,922,640	20,505,459
Changes in operating assets					
Non-pledged trading assets		19,767,712	27,651,563	(9,361,725)	29,782,975
Derivative financial instruments		(21,637,072)	63,311,828	(22,419,583)	63,185,343
Pledged assets		163,168,316	(77,142,650)	156,557,239	(77,142,650)
Restricted deposits		(195,891,140)	(55,985,243)	(119,708,564)	(53,508,376)
Loans and advances to banks and customers		(21,605,012)	(7,340,390)	108,122,212	53,828,710
Other assets		(50,604,299)	(41,697,753)	(46,372,775)	(37,892,580)
Changes in operating liabilities					
Deposits from financial institutions		134,310,424	156,179,758	52,003,639	98,945,193
Deposits from customers		229,929,265	(165,110,651)	37,685,015	(145,297,193)
Other liabilities		(100,726,349)	63,711,416	(100,323,855)	52,837,281
Payment to gratuity benefit holders		-	(738,314)	-	(738,314)
Interest paid on deposits to banks and customers		(117,382,004)	(91,197,057)	(105,463,921)	(76,533,875)
Interest received on loans and advances		209,290,063	187,850,400	180,328,095	161,248,701
		293,939,727	72,345,825	164,968,417	89,220,674
Income tax paid		(7,304,188)	(6,894,546)	(4,578,062)	(5,020,583)
Net cash generated from/(used in) operating activities		286,635,538	65,451,279	160,390,355	84,200,090
Cash flows from investing activities					
Acquisition of investment securities		(1,118,890,118)	(695,247,921)	(1,088,736,208)	(638,880,694)
Interest received on investment securities		65,206,954	42,947,837	50,111,374	42,716,315
Investment under management		(172,778,972)	-	(172,778,972)	
Dividend received	13	2,729,747	2,357,176	2,729,747	2,357,176
Acquisition of property and equipment	28	(16,715,503)	(23,197,708)	(12,685,524)	(18,856,067)
Proceeds from the sale of property and equipment		1,153,344	258,369	1,045,861	112,413
Acquisition of intangible assets	29	(2,296,392)	(2,652,528)	(3,542,559)	(2,314,642)
Proceeds from disposal of asset held for sale		(2,852,643)	30,000	(2,711,378)	30,000
Additional investment in subsidiaries		-	-	(24,040,564)	(8,112,235)
Proceeds from matured/disposed investment securities		1,097,448,267	709,751,264	1,093,011,256	708,646,906
Net cash generated from investing activities		**(146,995,314)**	**34,246,491**	**(157,596,968)**	**85,699,172**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(27,845,514)	(36,633,758)	(33,279,445)	(36,633,758)
Proceeds from interest bearing borrowings	36(m)	283,378,387	11,340,734	278,198,292	11,340,734
Repayment of interest bearing borrowings	36(m)	(42,683,239)	(16,224,582)	(30,076,403)	(88,688,249)
Repayment of debt securities issued	35	(85,501,305)	(109,370)	(85,501,305)	-
Purchase of own shares		(857,845)	-	-	-
Dividends paid to owners		(18,803,182)	(18,803,182)	(18,803,182)	(18,803,182)
Debt securities issued	35	52,182,712	(29,716,238)	52,182,712	42,747,429
Net cash (used in)/generated from financing activities		**159,870,014**	**(90,146,395)**	**162,720,669**	**(90,037,025)**
Net increase/(decrease) in cash and cash equivalents		299,510,238	9,551,375	165,514,056	79,862,237
Cash and cash equivalents at beginning of period	40	475,510,609	343,075,962	180,897,827	149,467,972
Net increase/ (decrease) in cash and cash equivalents		299,510,238	9,551,375	165,514,056	79,862,238
Effect of exchange rate fluctuations on cash held		6,796,577	1,439,986	5,072,993	(4,178)
Cash and cash equivalents at end of period	40	781,817,424	354,067,323	351,484,876	229,326,032

1.0 General information

Access Bank Plc ("the Bank") is a company domiciled in Nigeria. The address of the Bank's registered office is Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos (formerly Plot 1665, Oyin Jolayemi, Victoria Island, Lagos). The consolidated financial statements of the Bank for the period ended 30 September 2018 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. The Bank is listed on the Nigerian Stock Exchange.

These financial statements were approved and authorised for issue by the Board of Directors on 21 October 2018. 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 (IFRS) issued by the International Accounting Standards Board (IASB). Additional information required by national regulations is included where appropriate.

3.0 Basis of preparation

This financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. This consolidated and separate financial statement comprise the consolidated and separate statement of comprehensive income, the consolidated and separate statement of financial position, the consolidated and separate statements of changes in equity, the consolidated and separate cash flow statement and the notes.

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, modified to include fair valuation of particular financial instruments, to the extent required or permitted under IFRS as set out in the relevant accounting policies.

3.1 Summary of significant accounting policies

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

(a) Functional and presentation currency

These consolidated and separate 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.
- financial instruments at fair value through OCI are 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 lower of cost and fair value less costs to sell.
- share based payment at fair value or an approximation of fair value allowed by the relevant standard.

(c) Use of estimates and judgments

The preparation of the consolidated and separate financial statements in conformity with IFRSs requires management to make judgments, 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 judgments 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 period beginning on or after 1 January 2018 that are relevant to the group.

None of these standards were early adopted by the Group

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

- ***IFRS 9 Financial Instruments***

IFRS 9 replaces IAS 39 for annual periods on or after 1 January 2018. The Group has not restated comparative information for 2017 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2017 is reported under IAS 39 and is not comparable to the information presented for 2018. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings as of 1 January 2018 and are disclosed in Note 3.30.

Changes to classification and measurement
To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the group's business model for managing the assets and the instruments' contractual cash flow characteristics.
The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), Fair value through other comprehensive income (FVOCI), held-to-maturity and amortised cost) have been replaced by:
• Debt instruments at amortised cost
• Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition
• Debt instruments at fair value through profit or loss (FVPL), with gains or losses recognised in profit or loss on derecognition
• Equity instruments at FVPL
• Equity instruments at FVOCI with gains or losses not recycled to profit or loss on derecognition
• Other Financial assets designated at FVPL

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements are presented in OCI with no subsequent reclassification to the income statement.
Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

The Group's classification of its financial assets and liabilities is explained in Notes 3.9. The quantitative impact of applying IFRS 9 as at 1 January 2018 is disclosed in Note 3.3

Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Group's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

Details of the Group's impairment method are disclosed in Note 2.1. The quantitative impact of applying IFRS 9 as at 1 January 2018 is disclosed in Note 3.3

- ***IFRS 15 – Revenue from contracts with customers.***

  This note explains the impact of the adoption of IFRS 15 ,Revenue from Contracts with Customers, on the Group's financial statements and also discloses the related accounting policies that have been applied from 1 January 2018 where they are different to those applied in prior periods.

  The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in minor changes to the wording of the accounting policies. However, the adoption of IFRS 15 did not result in any adjustments to the amounts recognised in the financial statements as the Bank's previous accounting treatment is in line with the requirements of IFRS 15.

  In accordance with the transition provisions in IFRS 15, the Bank has adopted the new rules retrospectively without restating comparatives for the 2017 financial year. Accordingly, the information presented for 2017 financial year is as previously reported, under IAS 18 and related interpretations.

  There was no impact on the Group's retained earnings at the date of initial application (i.e. 1 January 2018).

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

  The International Accounting Standards Board (IASB) has published final amendments to IFRS 2 'Share-based Payment' on 20 December 2017 that clarify the classification and measurement of share-based payment transactions which contains the following: (a) accounting for cash-settled share-based payment transactions that include a performance condition; (b) classification of share-based payment transactions with net settlement features; and (c) the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The standard does not have any impact on the Group as the Group operates an equity settled share based payment scheme.

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

  The interpretation addresses foreign currency transactions or parts of transactions where:
  there is consideration that is denominated or priced in a foreign currency; the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepayment asset or deferred income liability is non-monetary.

  The Interpretations Committee came to the following conclusion:
  The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

  There is no material impact on the accounting policies, financial position or performance of the Group.

(b) Impact of standards issued that will have an impact but not yet applied by the entity

IFRS 16 Leases (Effective for periods beginning on or after 1 January 2019)
IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases which includes leases of land, buildings and printers. As at the reporting date, the Bank has no unpaid non-cancellable operating lease commitments as all operating leases are paid in advance. Prepayments in respect of these leases stood at N7.60 billion as at the reporting date.

On application of IFRS 16 , the N7.60 billion lease prepayment will be reclassified to a right of use asset on the balance sheet.In addition, a lease liability will also be recognised for certain lease contracts where the Bank expects to exercise the extension option as stated in the contract. These lease contracts account for 35% of the Bank's lease arrangements.The bank is still quantifying the resulting liability.

Practical expedient
The Bank has chosen not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, the Bank will only apply the definition of a lease contained in IFRS 16 to contracts entered into (or changed) on or after the date of initial application.

The Bank has chosen to apply the exemption for short-term leases to certain leases totalling about N7.68Bn of the value of its operating lease prepayments and N2.23Bn of amortisation expense. This means that the current accounting treatment and presentation of these operating leases will not change on application of IFRS 16.

The application of IFRS 16 will have no impact on the cash outflows.

The Bank's activities as a lessor are not material and hence the Bank does not expect any significant impact on its financial statements. However, some additional disclosures will be required from next year.

The Bank will apply the standard from its mandatory adoption date of 1 January 2019. The Bank intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured on transition at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

3.3 Basis of consolidation

(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group exercise control.
Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity:
[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 Group reassess periodically 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. A group 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 group and other vote holders
[ii] rights arising from other contractual arrangements
[iii] the group's voting rights (including voting patterns at previous shareholders' meetings)
[iv] potential voting rights

The 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 gain from a bargain purchase is recognised immediately in statement of comprehensive income.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.
Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection

with a business combination are expensed as incurred.

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

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

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

(c) 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.

(d) 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, if the disposal subsidiary meets the criteria specified in IFRS 5.
Foreign currency translation differences become realised when the related subsidiary is disposed.

(e) 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.

(f) 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 Entries (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 period-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 Fair value through other comprehensive income 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 Fair value through other comprehensive income, 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

It is the Group's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable.
Revenue is recognised when control of goods or services have been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset.

Principal versus Agency considerations
The Group is the principal in an arrangement where it obtains control of the goods or services of another party in advance of transferring control of those goods or services to a customer. The Group is the principal in its card arrangements.

The Group is an agent where its performance obligation is to arrange for another party to provide the goods and services. The Group is the agent in its arrangement with mobile network providers, card vendors and insurance companies.

Where the group is acting as an agent, it recognises as revenue only the commission retained by the group (in other words, revenue is recognised net of the amounts paid to the principal). Where the group is the principal, it will recognise as revenue the gross amount paid and allocated to the performance obligation. It will also recognise an expense for the direct costs of satisfying the performance obligation.

(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 Group calculates Interest Incomeby applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates Interest Incomeby applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating Interest Incomeon a gross basis.
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 Incomeor 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 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 Incomeand 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 fair value through other comprehensive income investment securities calculated on an effective interest basis.

Interest Incomeon all trading assets is recognised using the contractual interest rate in net gains/(loss) on investment securities.

(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.
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.
Fee and commission presented in the income statement includes:
- Credit related fees: This includes advisory and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Bank recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate.
- Account maintenance fees: These are fees charged to current accounts. N1 on every N1,000 in respect of all customer induced debit transactions is charged on these accounts. These fees are earned by the Bank at the time of each transaction and the Bank recognises its income accordingly.
- Card maintenance fees: The Bank charges these fees to customers for maintaining their cards. The fees are earned and recognised by the Bank over the validity period of the card. The Bank charges the customers for this service on a monthly basis.
- Other fees and commission income, includes commission on letters of credit, account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees. These fees and commissions are recognised as the related services are performed

(c) Net loss/gains on investment securities

Net loss/gains on investment securities comprise of the following:

- Net gains/losses on financial instruments classified as held for trading: This includes the gains and losses arising both on sale of trading instruments and from changes in fair value of derivatives instruments.
- Net gains on financial instruments held as Fair value through other comprehensive income: This relates to gains arising from the disposal of financial instruments held as Fair value through other comprehensive income as well as fair value changes reclassified from other comprehensive income upon disposal.
- Net gains on financial instruments at fair value through profit or loss: This relates to gains on disposal and changes in fair value of financial instruments carried at fair value through profit or loss

(d) Foreign exchange income

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

(e) Other operating income

Other operating income includes items such as dividends, gains on disposal of properties, rental income, income from asset management, brokerage and agency as well as income from other investments.

Dividend on Fair value through other comprehensive income equity securities: This 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 shall be charged as expenses in the periods in which they are incurred.

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) Minimum Tax

As required by the Companies Income Tax Act, if the Bank does not have an assessable profit for tax purpose, the Bank is assessed for tax under minimum tax regulation.

The rates applicable for calculating the minimum tax is the highest of the following:

(i) 0.5% of Gross Profit
(ii) 0.5% of Net Assets
(iii) 0.25% of Paid-up Share Capital
(iv) 0.25% of Turnover of up to N500, 000

However, if the turnover is higher than N500, 000, the minimum tax payable will be the highest of the above plus 0.125% of the excess of the turnover above N500,000

(c) 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

Recognition and derecognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument.
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset.
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Classification

From 1 January 2018, the group classifies its financial assets in the following measurement categories:
● those to be measured subsequently at fair value (either through OCI or through profit or loss), and
● those to be measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).
The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

● Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest Incomefrom these financial assets is included in Interest Incomeusing the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net gains/(loss) on investment securities together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

● FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, Interest Incomeand foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income. Interest Incomefrom these financial assets is included in Interest Incomeusing the effective interest rate method. Foreign exchange gains and losses are presented in net gains/(loss) on investment securities and impairment expenses are presented as separate line item in net impairment charge on financial assets

● FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within net gains/(loss) on investment securities in the period in which it arises.

Equity instruments

The group initially measured all equity investments at fair value through profit or loss. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
Changes in the fair value of financial assets at FVPL are recognised in net gains/(loss) on investment securities in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

From 1 January 2018, the Group only measures cash and balances with banks, Loans and advances to banks and customers and other financial investments at amortised cost if both of the following conditions are met:
• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
The details of these conditions are outlined below.

Business model assessment
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.
The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
• How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
• The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
• How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
• The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test
As a second step of its classification process, the Bank assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).
The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.
In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Financial Liabilities

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

The table below reconciles classification of financial instruments to the respective IFRS 9 category.

	Category (as defined by IFRS 9)	**Class (as determined by the Group)**
Financial assets	Financial assets at fair value through profit or loss	Non pledged trading assets
		Investment securities - equity securities
		Derivative financial assets
	Financial assets at amortised cost	Cash and balances with banks
		Loans and advances to banks
		Loans and advances to customers
		Other assets
		Investment securities - debt securities (pledged and non pledged)
	Fair value through other comprehensive income	Investment securities - debt securities (pledged and non pledged)
		Investment under management
Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives
	Financial liabilities at amortised cost	Deposits from banks
		Deposits from customers
		Interest bearing borrowings
		Debt securities issued
		Other liabilities

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 and separate 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.

Investment 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 fair value through OCI and accounting policy (3.9) (a) [iv] applies.

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, Fair value through other comprehensive income or Amortized cost. 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 Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral designated as Amortized cost are measured at amortized cost.

Reclassification of financial assets and liabilities

From 1 January 2018, the Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which Group changes its business model for managing a financial assets, the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

The following are not changes in business model;

a. change in intention related to particular financial assets (even in circumstances of significant changes in market conditions).
b. the temporary disappearance of a particular market for financial assets.
c. a transfer of financial assets between parts of the entity with different business models.

Reclassification date
The first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets.

A change in the objective of the Group's business model must be effected before the reclassification date. For example, if Group decides on 15 February to shut down its Corporate & investment Banking business and hence must reclassify all affected financial assets on 1 April (i.e. the first day of the Group's next reporting period), the Group must not accept new Corporate & investment Banking business or otherwise engage in activities consistent with its former business model after 15 February.

All reclassifications are applied prospectively from the reclassification date.
When the Group reclassifies a financial asset between the amortised cost measurement category and the fair value through other comprehensive income measurement category, the recognition of Interest Incomeis not changed and it continues to use the same effective interest rate.
However, when the Group reclassifies a financial asset out of the fair value through profit or loss measurement category, the effective interest rate is determined on the basis of the fair value of the asset at the reclassification date.

Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions
The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.
When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:
• Change in currency of the loan
• Introduction of an equity feature
• Change in counterparty
• If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than for substantial modification
Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The r also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.
The Group has transferred the financial asset if, and only if, either:
• The Group has transferred its contractual rights to receive cash flows from the financial asset or
• It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
• The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
• The Group cannot sell or pledge the original asset other than as security to the eventual recipients
• The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:
• The Group has transferred substantially all the risks and rewards of the asset or
• The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.
When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.
If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

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 5.1.4.

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 Net gains/(loss) on investment securities.

Impairment of financial assets

Overview of the ECL principles
From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

• An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
• The time value of money; and
• Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Staging Assessment

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.
Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2,Stage 3 and POCI, as described below:

• Stage 1: When a financial instrument is first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 also include financial instruments where the credit risk has improved and the financial instruments has been reclassified from Stage 2.

• Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECLs. Stage 2 financial instruments also include instances, where the credit risk has improved and the financial instrument has been reclassified from Stage 3.

• Stage 3: Financial instruments considered credit-impaired.The Group records an allowance for the Lifetime ECLs.

• POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and Interest Incomeis subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial Recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Measuring the Expected Credit Loss

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

• The PD represents the likelihood of a borrower defaulting on its financial obligation (as per Definition of default and credit-impaired above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

• EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

• Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

• For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

• For revolving products, the exposure at default is predicted by taking current drawn balance and adding a credit conversion factor which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

When estimating the ECLs, the Group considers three scenarios (optimistic, best-estimate and downturn) and each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.
The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

• For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

• For unsecured products, LGD's are typically set at product level due to the limitation in recoveries achieved across different across different borrower. These LGD's are influenced by collection strategies, including contracted debt sales and price.

The group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the group's previous accounting policy.
Until 31 December 2017, the group applied the following accounting policy on its financial assets and financial liabilities below:

The mechanics of the ECL method are summarised below:

• Stage 1: The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.
These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

• Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

• Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

• POCI: Purchase or Originated Credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the creditadjusted EIR.

• Loan commitments and letters of credit: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected
life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.
For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan.
For loan commitments and letters of credit, the ECL is recognised within Provisions.

For loan commitments and letters of credit, the ECL is recognised within Provisions.

• Financial guarantee contracts:
The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:
The remaining Lifetime PD at the reporting date has increased, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

Deterioration in the credit rating of an obligor either based on the Bank's internal rating system or an international credit rating. However, the downgrade considers movement from a grade band to another e.g. Investment grade to Standard.
The Group also considers accounts that meet the criteria to be put on the watchlist bucket to have significantly increased in credit risk.

Qualitative criteria:
For Retail loans, if the borrower meets one or more of the following criteria:
• In short-term forbearance
• Direct debit cancellation
• Extension to the terms granted
• Previous arrears within the last [12] months

For Corporate portfolio, if the borrower is on the watchlist and/or the instrument meets one or more of the following criteria:
• Significant increase in credit spread
• Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
• Actual or expected forbearance or restructuring
• Actual or expected significant adverse change in operating results of the borrower
• Significant change in collateral value (secured facilities only) which is expected to increase risk of default
• Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all Retail financial instruments held by the Group. In relation to Wholesale and Treasury financial instruments, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Backstop
A backstop indicator is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due and 90 days past due on its contractual payments for both stage 2 and stage 3 respectively.

Definition of default and credit-impaired assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria
The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

• The borrower is in long-term forbearance
• The borrower is deceased
• The borrower is insolvent
• The borrower is in breach of financial covenant(s)
• An active market for that financial asset has disappeared because of financial difficulties
• Concessions have been made by the lender relating to the borrower's financial difficulty
• It is becoming probable that the borrower will enter bankruptcy
• Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

Incorporation of forward looking information and macroeconomic factors
In its ECL models, the Group relies on a broad range of forward looking information as economic inputs. The macroeconomic variables considered for the adjustment of the probabilities of default are listed below:

- Crude oil prices,
- Inflation,
- Interest rates,
- Exchange rates (USD/NGN), and
- Monetary Policy rate

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Collateral valuation
To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Group's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis.
To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as external valuers.

Collateral repossessed
The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

Write-offs
The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

3.9 Financial assets and liabilities

Accounting policies applied until 31 December 2017

The group has applied IFRS 9 prospectively, and has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the group's previous accounting policy.
Until 31 December 2017, the group applied the following accounting policy on its financial assets and financial liabilities below:

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

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

	Category (as defined by IAS 39)	**Class (as determined by the Group)**
Financial assets	Financial assets at fair value through profit or loss	Non pledged trading assets
		Derivative financial assets
	Loans and receivables	Cash and balances with banks
		Loans and advances to banks
		Loans and advances to customers
		Other assets
	Held to maturity	Investment securities - debt securities (pledged and non pledged)
	Available for sale financial assets	Investment securities - debt securities (pledged and non pledged)
		Investment securities - equity securities
		Investment under management
Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives
	Financial liabilities at amortised cost	Deposits from banks
		Deposits from customers
		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 IFRS 9 categories: Financial assets at fair value through profit or loss ; Financial assets at amortized cost; and financial assets at fair value through other comprehensive income (OCI). Management determines the classification of its financial instruments at initial recognition.

[i] Fair value through profit or loss

This category comprises financial assets classified as held for trading upon initial recognition.

A financial asset is classified as fair value through profit or loss 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 measured at fair value through profit or loss unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market instruments, 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 loss/gains on investment securities. Interest Incomeand expense and dividend income on financial assets held for trading are included in 'Interest income', "Interest expense' or 'Other operating 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 may designate certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. 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] Amortized cost

Amortized cost financial assets are non-derivative assets with fixed or determinable payments and fixed maturity and which are not designated at fair value through profit or loss, or fair value through other comprehensive income.

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 amortized cost investments not close to their maturity would result in a reassessment of the Bank's business model for managing the assets. 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 amortized cost investments is included in the consolidated income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the consolidated income statement as 'net impairment loss on financial assets'. Amortised cost investments include treasury bills and bonds.

[iv] Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities that have been elected as fair value through other comprehensive and other fair vlaue through other comprehensive income investments are carried at fair value.

Interest Incomeis 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 such investments are recognised in the income statement.

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

Fair value through other comprehensive income instruments include investment securities and equity investments that are so elected.

[v] Investment 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 fair value through OCI 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 individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent periods, 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 5.1.4.

(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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at 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 all loans and advances, financial assets at FVOCI and amortized cost investments at specific level for expected credit loss assessment.

In assessing expected credit loss, the Group uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current and forecasted economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. 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] Fair value through other comprehensive income securities

Impairment losses on fair value through other comprehensive income investment securities are recognised in profit or loss and the impairment provision is not used to reduce the carrying amount of the investment but recognised in other comprehensive income.
For debt securities, the group uses the criteria referred to in (i) above to assess impairment.

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) 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.

(j) 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.

(k) 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, Fair value through other comprehensive income or Amortized cost. 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 Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral designated as Amortized cost are measured at amortized cost.

3.10 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	Not depreciated
Leasehold improvements and building	Over the shorter of the useful life of the item or lease term
Buildings	60 years
Computer hardware	4.5 years
Furniture and fittings	6 years
Motor vehicles	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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 period the asset is derecognised.

3.11 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 periods. Amortisation methods, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate.

3.12 Leases

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

A group company is the lessee

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

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

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.

3.13 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 period 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.

3.14 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 coordinated 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.

3.15 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.

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.
When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

3.16 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.

3.17 Financial guarantees

Financial guarantees which includes Letters of credit 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).
Letters of credits which have been guaranteed by Access bank but funded by the customer is included in other liabilities while those guaranteed and funded by the Bank is included in deposit from financial institutions.

3.18 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 periods 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.

3.19 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 period 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) Regulatory risk 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 risk assets. Assets are classified as performing or non-performing. Non performing assets are further classed as substandard, doubtful or lost with attendant provisions.

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 expected credit loss determined for these assets under IFRS 9 are compared. The IFRS 9 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 IFRS 9 exected credit loss is greater, no appropriation is made and the amount of IFRS 9 expected credit loss is recognised in the 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 regulatory risk reserve.

3.20 Levies

The Group recognizes liability to pay levies progressively if the obligating event occurs over a period of time. However, if the obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached. The Group recognizes an asset if it has paid a levy before the obligating event but does not yet have a present obligation to pay that levy. The obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy.

3.30 [i] A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of 1 January 2018 is, as follows:

Group

	IAS 39 measurement				**IFRS 9**	
	Category	**Amount**	**Reclassifications**	**Remeasurements ECL**	**Amount**	**Category**
In thousand naira						
Financial assets						
Cash and balances with banks	L&R *	953,944,176	-	(14,921)	953,929,255.06	AC **
Investment under management	AFS	20,257,131	-	-	20,257,131	FVOCI
Non pledged trading assets	FVPL	46,854,061	-	-	46,854,061	FVPL (Mandatory)
Derivative financial assets	FVPL	93,419,293	-	-	93,419,293	FVPL (Designated)
Loans and advances to banks	L&R	68,114,076	-	(44,841)	68,069,235	AC
Loans and advances to customers	L&R	1,995,987,627	-	(77,062,466)	1,918,925,161	AC
Pledged assets - AFS	AFS	46,533,843	(46,533,843)		N/A	
To: Debt instruments at FVOCI			(46,533,843)	-		FVOCI
Pledged assets - HTM	HTM	313,541,445	(313,541,445)		N/A	
To: Debt instruments at amortised cost			(313,541,445)	-		AC **
Pledged assets - FVPL	FVPL	87,039,116	(87,039,116)		N/A	
To: Debt instruments at FVPL			(87,039,116)	-		FVPL
Investment securities - AFS	AFS	153,373,810	(153,373,810)		N/A	
To: Debt instruments at FVOCI			(83,792,712)	-		FVOCI
To: Equity instruments at FVPL			(69,581,098)	-		FVPL
Investment securities - HTM	HTM	124,793,947	(124,793,947)	-	N/A	
To: Debt instruments at amortised cost			(124,793,947)			AC**
Pledged assets						
Debt instruments at amortised cost		N/A	313,541,445	-	313,541,445	AC
From: Pledged assets - HTM			313,541,445			
Debt instruments at fair value through OCI		N/A	46,533,843	-	46,533,843	FVOCI
From: Pledged assets - AFS			46,533,843			
Debt instruments at FVPL		N/A	87,039,116	-	87,039,116	FVPL (Mandatory)
From: Pledged assets - FVPL			87,039,116			
Investment securities						
Debt instruments at amortised cost		N/A	124,793,947	(36,400.82)	124,757,546	AC
From: Investment securities - HTM			124,793,947			
Debt instruments at fair value through OCI		N/A	83,792,712		83,792,712	FVOCI
From: Investment securities - AFS			83,792,712			
Equity instruments at FVPL		N/A	69,581,098		69,581,098	FVPL (Mandatory)
From: Investment securities - AFS			69,581,098			
Other assets	L&R	82,753,431			82,753,431	AC
Total assets		**3,986,611,956**	**-**	**(77,158,629)**	**3,909,453,326**	
Financial liabilities						
Deposits from financial institutions	AC	450,196,970	-	-	450,196,970	AC
Deposits from customers	AC	2,244,879,075	-	-	2,244,879,075	AC
Derivative financial liabilities	FVPL	5,332,177	-	-	5,332,177	FVPL
Debt issued and other borrowed funds	AC	302,106,706	-	-	302,106,706	AC
Interest bearing borrowings	AC	311,617,187	-	-	311,617,187	AC
Other liabilities	AC	253,167,364	-	-	253,167,364	AC
Current tax liablities	AC	7,489,586	-	-	7,489,586	AC
Non-financial liabilities						
Provisions	N/A	746,809	-	-	746,809	N/A
Retirement benefit obligations	N/A	2,495,274	-	-	2,495,274	N/A
Deferred tax liabilities	N/A	8,764,262	-	-	8,764,262	N/A
Total liabilities		**3,586,795,411**	**-**	**-**	**3,586,795,411**	

* L&R: Loans and receivables
** AC: Amortised cost

Bank

	IAS 39 measurement				IFRS 9	
	Category	Amount	Reclassifications	Remeasurements ECL	Amount	Category
In thousand naira						
Financial assets						
Cash and balances with banks	L&R *	657,144,247	-	(12,456)	657,131,791	AC **
Investment under management	AFS	20,257,131	-	-	20,257,131	FVOCI
Non pledged trading assets	FVPL	43,016,990	-	-	43,016,990	FVPL (Mandatory)
Derivative financial assets	FVPL	92,390,219	-	-	92,390,219	FVPL (Designated)
Loans and advances to banks	L&R	101,429,001	-	-	101,429,001	AC
Loans and advances to customers	L&R	1,771,282,739	-	(72,333,155)	1,698,949,584	AC
Pledged assets - AFS	AFS	46,533,843	(46,533,843)		N/A	
To: Debt instruments at FVOCI			(46,533,843)			
Pledged assets - HTM	HTM	306,930,368	(306,930,368)		N/A	
To: Debt instruments at amortised cost			(306,930,368)			
Pledged assets - FVPL	FVPL	87,039,116	(87,039,116)		N/A	
To: Debt instruments at FVPL			(87,039,116)			
Investment securities - AFS	AFS	106,582,881	(106,582,881)		N/A	
To: Debt instruments at FVOCI			(37,001,783)			
To: Equity instruments at FVPL			(69,581,098)			
Investment securities - HTM	HTM	14,954,422	(14,954,422)		N/A	
To: Debt instruments at amortised cost			(14,954,422)			
Pledged assets						
Debt instruments at amortised cost		N/A	306,930,368		306,930,368	AC
From: Pledged assets - HTM			306,930,368			
Debt instruments at fair value through OCI		N/A	46,533,843		46,533,843	FVOCI
From: Pledged assets - AFS			46,533,843			
Debt instruments at FVPL		N/A	87,039,116		87,039,116	FVPL (Mandatory)
From: Pledged assets - FVPL			87,039,116			
Investment securities						
Debt instruments at amortised cost		N/A	14,954,422	(36,401)	14,918,021	AC
From: Investment securities - HTM			14,954,422			
Debt instruments at fair value through OCI		N/A	37,001,783	-	37,001,783	FVOCI
From: Investment securities - AFS			37,001,783	-		
Equity instruments at FVPL		N/A	69,581,098	-	69,581,098	FVPL (Mandatory)
From: Investment securities - AFS			69,581,098	-		
Other assets	L&R	65,189,797	-	-	65,189,797	AC
Total assets		**3,312,750,753**	**-**	**(72,382,012)**	**3,240,368,741**	
Financial liabilities						
Deposits from financial institutions	AC	276,140,835	-	-	276,140,835	AC
Deposits from customers	AC	1,910,773,713	-	-	1,910,773,713	AC
Derivative financial liabilities	FVPL	5,306,450	-	-	5,306,450	FVPL
Debt issued and other borrowed funds	AC	302,106,706	-	-	302,106,706	AC
Interest bearing borrowings	AC	282,291,141	-	-	282,291,141	AC
Other liabilities	AC	237,948,876	-	-	237,948,876	AC
Current tax liablities	AC	4,547,920	-	-	4,547,920	AC
Non-financial liabilities						
Provisions	N/A	746,809	-	-	746,809	N/A
Retirement benefit obligations	N/A	2,481,917	-	-	2,481,917	N/A
Deferred tax liabilities	N/A	7,848,515	-	-	7,848,515	N/A
Total liabilities		**3,030,192,882**	**-**	**-**	**3,030,192,882**	

3.30 [ii] The table below shows the analysis of the impact of IFRS 9 opening entries on equity

Group

	Impact of IFRS 9 Opening Entries on Equity			
	Retained earnings	**Regulatory risk reserve**	**Fair value reserve**	**Total**
	N'000	N'000	N'000	N'000
Impairment analysis				
Loans and advances to banks	(44,839)	-	-	(44,839)
Loans and advances to customers	(77,009,745)	35,058,266	-	(41,951,479)
Contingents	(1,450,688)	-	-	(1,450,688)
Money market placements	(14,921)	-	-	(14,921)
Eurobond				
- Amortised cost	(1,253)	-	-	(1,253)
- FVOCI	(643)	-	-	(643)
Corporate bonds				
- Amortised cost	(7,225)	-	-	(7,225)
- FVOCI	(69)	-	-	(69)
State government bonds				
- Amortised cost	(27,923)	-	-	(27,923)
- FVOCI	(49,166)	-	-	(49,166)
Equity securities				
- FVOCI	-	-	36,073,933	36,073,933
	(78,606,471)	***35,058,266***	***36,073,933***	***(7,474,272)***

Bank

	Impact of IFRS 9 Opening Entries on Equity			
	Retained earnings	**Regulatory risk reserve**	**Fair value reserve**	**Total**
	N'000	N'000	N'000	N'000
Impairment analysis				
Loans and advances to banks	-			-
Loans and advances to customers	(72,333,155)	35,058,266	-	(37,274,889)
Bonds and Guarantee	(1,037,299)	-	-	(1,037,299)
Letter of credit		-	-	-
Money market placements	(12,456)	-	-	(12,456)
Eurobond				
- Amortised cost	(1,253)	-	-	(1,253)
- FVOCI	(643)	-	-	(643)
Corporate bonds		-	-	-
- Amortised cost	(7,225)	-	-	(7,225)
- FVOCI	(69)	-	-	(69)
State government bonds				
- Amortised cost	(27,923)	-	-	(27,923)
- FVOCI	(49,164)	-	-	(49,164)
Equity securities				
- FVOCI	-	-	36,073,933	36,073,933
	(73,469,186)	35,058,266	36,073,933	(2,336,987)

3.30 [iii] The following table reconciles the aggregate opening loan loss provision allowances under IAS 39 and provisions for loan commitments and financial guarantee contracts in accordance with IAS 37 Provisions Contingent Liabilities and Contingent Assets to the ECL allowances under IFRS 9.

Group

	Impact of IFRS 9 Opening Entries on Equity		
	Loan loss provision under IAS 39/IAS 37 at 31 December 2017	**Remeasurement**	**ECLs under IFRS 9 at 1 January 2018**
	N'000	N'000	N'000
Loans and advances to banks	41,506	44,839	86,345
Loans and advances to customers	63,844,430	77,009,745	140,854,175
Contingents	-	1,450,688	1,450,688
Money market placements	-	14,921	14,921
Eurobond			
- Amortised cost	-	1,253	1,253
- FVOCI	264,107	643	-
Corporate bonds			
- Amortised cost	-	7,225	7,225
- FVOCI	-	69	69
State government bonds			
- Amortised cost	-	27,923	27,923
- FVOCI	-	49,166	49,166
	64,150,043	***78,606,471***	***142,756,514***

Bank

	Impact of IFRS 9 Opening Entries on Equity		
	Loan loss provision under IAS 39/IAS 37 at 31 December 2017	**Remeasurement**	**ECLs under IFRS 9 at 1 January 2018**
	N'000	N'000	N'000
Loans and advances to banks	41,506	-	41,506
Loans and advances to customers	56,289,402	72,333,155	128,622,556
Contingents	-	1,037,299	1,037,299
Money market placements	-	12,456	12,456
Eurobond			
- Amortised cost	-	1,253	1,253
- FVOCI	264,107	643	264,750
Corporate bonds			

- Amortised cost	-	7,225	7,225
- FVOCI	-	69	69
State government bonds			
- Amortised cost	-	27,923	27,923
- FVOCI	-	49,166	49,166
	56,595,015	***73,469,188***	***130,064,202***

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) Assessment of impairment of goodwill on acquired subsidiaries
(iv) 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 (see note 3.9 g (i))

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.
The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:
• The Group's internal credit grading model, which assigns PDs to the individual grades
• The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
• The segmentation of financial assets when their ECL is assessed on a collective basis
• Development of ECL models, including the various formulas and the choice of inputs
• Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, exchange rates, crude oil prices, GDP and collateral values, and the effect on PDs, EADs and LGDs
• Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The Bank reviews its loan portfolios to assess impairment at least on a half periodly 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).

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 9. 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
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:

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:

Financial instrument measured at fair value

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

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

(c) Financial instruments in level 3

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

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

For level 2 assets, fair value was obtained using a recent market transaction during the period under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics. There were transfers between levels 1 and 2 during the period on investment under management because the instruments involved are government securities with readily determinable price and they are risk free.

(ii) Determination of fair value of financial instruments.

Valuation techniques used to derive Level 2 fair values
Level 2 fair values of investments have been generally derived using the market approach. Below is a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.

Description	Fair value at 30 September 2018	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of observable inputs to fair value
Investment in MTN	11,391,487	Fair value through quoted share price as at last trade date.	Share price from last trade date Number of units owned by Access bank	11,961,061	10,821,912	The higher the share price as at the last trade date, the higher the fair value
Derivative financial assets	115,056,365	Forward and swap: Fair value through market rate from a quoted market	Market rates from quoted market	19,255,333	17,004,641	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	7,223,665	Futures: Fair value through reference market rate				

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

Description	Fair value at 30 September 2018	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Fair value if unobservable inputs increased by 5%	Fair value if unobservable inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in Africa Finance Corporation	81,522,825	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	85,598,966	77,446,684	81,808,466	74,017,184	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in Unified Payment System Limited	3,546,000	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	3,723,300	3,368,700	3,723,300	3,368,700	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CSCS	1,491,300	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	1,565,865	1,416,735	1,565,800	1,416,700	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in NIBSS	3,123,447	Adjusted fair value comparison approach	Weighted Price to earnings (P/E) ratio of similar comparable companies	3,279,620	2,967,275	4,372,300	3,955,900	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in Afrexim	28,600	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	30,030	27,170	30,000	27,200	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in FMDQ	143,000	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	150,150	135,850	150,100	135,800	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	389,000	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	408,450	369,550	408,400	369,500	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Nigerian Mortgage Refinance Company	203,700	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	213,885	193,515	213,900	193,500	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
NG Clearing	303,340	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	318,507	288,173	333,674	273,006	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value

Reconciliation of Level 3 Items

The following tables presents the changes in Level 3 instruments for the period ended 30 June 2018

Financial assets at fair value through profit or loss	**Group September 2018**	**Group December 2017**	**Bank September 2018**	**Bank December 2017**
Opening balance	55,180,818	-	59,274,394	49,821,881
Total unrealised gains or (losses) in PoL	27,333,901	-	27,333,901	-
Cost of Asset Additions	3,610,000	-	3,610,000	-
Sales	5,059,622	-	-	-
Total unrealised gains or (losses) in OCI	-	-	-	9,452,512
Balance, period end	**91,184,341**	**59,673,535**	**90,751,213**	**59,274,394**
Opening balance	-	50,069,031		49,821,881
Total unrealised gains or (losses) in PoL	-	5,111,787		5,107,631
Cost of Asset Additions	-	-		-
Sales	-	-		-
Total unrealised gains or (losses) in OCI	-	-		-
Balance, year end		**55,180,818**		**54,929,512**

Assets Held for Sale	**Group September 2018**	**Group December 2017**	**Bank September 2018**	**Bank December 2017**
Opening balance	9,479,967	140,727	9,479,967	140,727
Cost of asset added	2,875,912	9,369,240	2,734,649	9,369,240
Total unrealised gains or (losses)		(30,000)		
Cost of Asset disposed	(23,271)	-	(23,271)	(30,000)
Balance, period end	**12,332,608**	**9,479,967**	**12,191,345**	**9,479,967**

Varying valuation techniques were applied in the valuation of assets classified as Level 3

Disclosure Requirements for Level 3 Financial Instruments

Valuation Technique Unquoted Equity:
The investment valuation policy (IVP) of the Group provides the framework for accounting for the Group's investment in unquoted equity securities and assets held for sale while also providing a broad valuation guideline to be adopted in valuing them. Furthermore, the IVP details how the group decides its valuation policies and procedures and analysis of changes in fair value measurements from period to period.

In accordance with IFRS 13 Fair Value Measurement, which outlines three approaches for valuing unquoted equity instruments; market approach, the income approach and the cost approach. The Group estimated the fair value of its investment in each of the unquoted equity securities at the end of the financial period using the Market approach.

The Adjusted fair value comparison approach of EV/EBITDA, P/E ratios and P/Bv ratios was adopted in valuing each of these equity investments taken into cognizance the suitability of the model to each equity investment and the availability of financial information while minimizing the use of unobservable data.

Description of Valuation Methodology and inputs:
The fair value of the other unquoted equity securities were derived using the Adjusted fair value comparison technique. Adjusted fair value comparison approach of EV/EBITDA, P/E ratios and P/B ratios are used as input data .

The steps involved in estimating the fair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step 1: Identify quoted companies with similar line of business ,structure and size
Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg, Reuters or Nigeria Stock Exchange

Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies
Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the EV/EBITDA or Book Value or Earnings of the investment company to get the value of the investment company
Step 5: Discount the derived value of the investment company by applying an Illiquidity discount and EPS Haircut Adjustment to obtain the Adjusted Equity Value
Step 6: Multiply the Adjusted Equity value by the present exchange rate for foreign currency investment
Step 7: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss

a. Enterprise Value (EV):
Enterprise value measures the value of the ongoing operations of a company. It is calculated as the market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents of the company .
b. Earnings Before Interest ,Tax Depreciation and Tax (EBITDA):

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA is one of the indicator's of a company's financial performance and is used as a proxy for the earning potential of a business.
EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

c. Price to Book (P/B Ratio):
The price-to-book ratio (P/B Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest company book value per share or by dividing the company's market capitalization by the company's total book value from its balance sheet.

d. Price to Earning (P/E Ratio):
The price-earnings ratio (P/E Ratio) values a company using the current share price relative to its per-share earnings.

The sources of the observable inputs used for comparable technique were gotten from Reuters, Bloomberg and the Nigeria Stock Exchange

Basis of valuation:
The assets is being valued on a fair open market value approach. This implies that the value is based on the conservative estimates of the reasonable price that can be obtained if and when the subject asset is offered for sale under the present market conditions.

Method of Valuation
The comparative method of valuation in the valuation of the asset. This method involves the analysis of recent transaction in such asset within the same asset type and the size of the subject asset after due allowance have been made for peculiar attributes of the various asset concerned.

The key elements of the control framework for the valuation of financial instruments include model validation and independent price verification. These functions are carried out by an appropriately skilled Finance team, independent of the business area responsible for the products. The result of the valuation are reviewed quarterly by senior management.

(iii) 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 19.50% (Dec. 2016: 19.50%) and a cash flow growth rate of 5.44% (Dec. 2016: 6.62%) over a period of four periods. The Group determined the appropriate discount rate at the end of the period by making reference to 15 period government bond which is the longest tenured security in Rwanda. See note 29b for further details.

(iv) 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 period. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions. See note 37 for the sensitivity analysis.

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

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

(i) Cash

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

(ii) Loans and advances to banks and customers

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

(iii) Investment securities and pledged assets

The fair values are 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.

The fair value comprises equity securities and debt instruments. The fair value for these assets are based on estimations using market prices and earning multiples of quoted securities with similar characteristics.

(iv) Other assets

The bulk of these financial assets have short 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 liabilities in other liabilities is a reasonable approximation of fair value. They comprise of short term liabilities which are available on demand to creditors with no contractual rates attached to them.

(vii) Interest bearing borrowings

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

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.

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

September 2018	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	197,906,904	-	1,119,286,687	1,317,193,591
Non pledged trading assets	27,027,001	-	59,348	27,086,349
Derivative financial instruments	-	-	115,056,365	115,056,365
Loans and advances to banks	110,058,238	-	-	110,058,238
Loans and advances to customers	7,641,260	1,968,007,218	-	1,975,648,478
Pledged assets	283,946,088	-	-	283,946,088
Investment securities:				
-Financial assets at FVOCI	150,434,374	-	103,482,263	253,916,637
-Financial assets at amortised cost	192,971,954	-	-	192,971,954
TOTAL	**969,985,818**	**1,968,007,218**	**1,337,884,663**	**4,275,877,699**
LIABILITIES				
Deposits from financial institutions	584,507,394	-	-	584,507,394
Deposits from customers	1,368,494,063	1,106,314,279	-	2,474,808,342
Derivative financial instruments	-	-	7,223,665	7,223,665
Debt securities issued	287,076,720	-	-	287,076,720
Interest-bearing borrowings	478,232,455	80,763,804	-	558,996,259
TOTAL	**2,718,310,631**	**1,187,078,083**	**7,223,665**	**3,912,612,380**

December 2017	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	261,805,783	-	692,138,393	953,944,176
Non pledged trading assets	46,794,713	-	59,348	46,854,062
Derivative financial instruments	-	-	93,419,293	93,419,293
Loans and advances to banks	68,114,076	-	-	68,114,076
Loans and advances to customers	27,256,401	1,968,731,226	-	1,995,987,627
Pledged assets	447,114,404	-	-	447,114,404
Investment securities:				
– Available-for-sale	84,056,819	-	69,316,991	153,373,810
– Held-to-maturity	124,793,947	-	-	124,793,947
TOTAL	**1,059,936,143**	**1,968,731,226**	**854,934,024**	**3,883,601,394**
LIABILITIES				
Deposits from financial institutions	450,196,970	-	-	450,196,970
Deposits from customers	1,172,733,890	1,072,145,186	-	2,244,879,075
Derivative financial instruments	-	-	5,332,177	5,332,177
Debt securities issued	302,106,706	-	-	302,106,706
Interest-bearing borrowings	267,572,158	44,045,029	-	311,617,187
TOTAL	**2,192,609,724**	**1,116,190,215**	**5,332,177**	**3,314,132,116**

Bank

September 2018	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	-	-	843,969,339	843,969,339
Non pledged trading assets	21,750,387	-	59,348	21,809,734
Derivative financial instruments	-	-	114,809,802	114,809,802
Loans and advances to banks	100,229,513	-	-	100,229,513
Loans and advances to customers	6,808,952	1,657,551,063	-	1,664,360,015
Pledged assets	283,946,088	-	-	283,946,088
Investment securities:				
-Financial assets at FVOCI	67,911,498	-	103,049,135	170,960,634
-Financial assets at amortised cost	119,725,466	-	-	119,725,466

TOTAL	**600,371,902**	**1,657,551,063**	**1,061,887,624**	**3,319,810,589**

LIABILITIES				
Deposits from financial institutions	328,144,474	-	-	328,144,474
Deposits from customers	1,073,238,349	875,220,379	-	1,948,458,728
Derivative financial instruments	-	-	7,092,963	7,092,963
Debt securities issued	287,076,720	-	-	287,076,720
Interest-bearing borrowings	462,468,088	73,262,356	-	535,730,444
TOTAL	2,150,927,631	948,482,735	7,092,963	3,106,503,329

December 2017	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	28,157,562	-	628,986,685	657,144,247
Non pledged trading assets	42,957,641	-	59,348	43,016,990
Derivative financial instruments	-	-	92,390,219	92,390,219
Loans and advances to banks	101,429,001	-	-	101,429,001
Loans and advances to customers	29,616,824	1,741,665,915	-	1,771,282,739
Pledged assets	440,503,327	-	-	440,503,327
Investment securities:				
– Available-for-sale	37,665,030	-	68,917,849	106,582,880
– Held-to-maturity	14,954,423	-	-	14,954,423
TOTAL	**695,283,808**	**1,741,665,915**	**790,354,102**	**3,227,303,824**
LIABILITIES				
Deposits from financial institutions	276,140,835	-	-	276,140,835
Deposits from customers	1,035,810,196	874,963,517	-	1,910,773,713
Derivative financial instruments	-	-	5,306,450	5,306,450
Debt securities issued	302,106,706	-	-	302,106,706
Interest-bearing borrowings	246,837,492	35,453,649	-	282,291,141
TOTAL	1,860,895,229	910,417,166	5,306,450	2,776,618,845

Derivative financial instruments include elements of interest rate differential between the applicable underlying currencies. Further details on the fair value of derivatives have been discussed in Note3.9(J) of the financial statement.

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) that may be undertaken, which is monitored daily by Group Treasury.

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: This includes ordinary share capital, share premium, retained earnings and other reserves excluding regulatory reserves. Intangible assets, deferred tax assets and investment in subsidiaries were also deducted from Tier I capital for capital adequacy purposes; and
- Tier 2 capital: This includes fair value reserves, foreign currency translation reserves with adjustments for investments in subsidiaries.

In thousands of Naira	**Group September 2018**	**Group December 2017**	**Bank September 2018**	**Bank December 2017**
Tier 1 capital				
Ordinary share capital	14,463,986	14,463,986	14,463,986	14,463,986
Share premium	197,974,816	197,974,816	197,974,816	197,974,816
Retained earnings	143,354,152	117,701,679	130,169,308	120,218,603
Other reserves	108,683,819	178,399,413	67,806,190	136,833,692
Non-controlling interests	8,206,368	6,907,515	-	-
	472,683,141	**515,447,409**	**410,414,299**	**469,491,097**
Add/(Less):				
Fair value reserve for available-for-sale	8,277,827	(36,111,322)	9,799,063	(35,267,471)
Foreign currency translation reserves	(26,813,500)	(26,813,500)	-	-
Other reserves	(1,747,829)	(2,031,978)	(1,747,830)	(2,031,978)
Total Tier 1	**452,399,639**	**450,490,608**	**418,465,532**	**432,191,647**
Add/(Less):				
50% Investments in subsidiaries	-	-	(55,755,434)	(43,897,316)
Deferred tax assets	(1,046,267)	(740,402)	-	-
Regulatory risk reserve	(11,881,607)	(43,420,287)	(652,000)	(35,058,266)
Intangible assets	(8,729,000)	(8,295,855)	(7,808,633)	(5,981,905)
Adjusted Tier 1	**430,742,765**	**398,034,065**	**354,249,465**	**347,254,161**
Tier 2 capital				
Debt securities issued	86,640,000	79,440,000	86,640,000	79,440,000
Fair value reserve for available-for-sale securities	(8,277,827)	36,111,322	(9,799,063)	35,267,471
Foreign currency translation reserves	26,813,500	26,813,500	-	-
Other reserves	1,747,829	2,031,978	1,747,830	2,031,978
50% Investments in subsidiaries	-	-	(55,755,434)	(43,897,316)
Total Tier 2	**106,923,502**	**144,396,800**	**22,833,334**	**72,842,135**
Adjusted Tier 2 capital (33% of Tier 1)	**106,923,502**	**132,664,754**	**22,833,334**	**72,842,135**
Total regulatory capital	**537,666,268**	**530,698,819**	**377,082,799**	**420,096,296**
Risk-weighted assets	**2,675,756,276**	**2,645,011,975**	**2,145,019,487**	**2,311,370,698**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	20.09%	20.06%	17.58%	18.18%
Total tier 1 capital expressed as a percentage of risk-weighted assets	16.10%	15.05%	16.51%	15.02%

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.

Based on the market segment and extent of customer turnover, the group reformed the arrangement of segments from previous periods 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.

- **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 period 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;

Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the income statement.

Material total assets and liabilities	**Group September 2018**	**Group December 2017**
In thousands of Naira		
Other Assets	133,357,730	82,753,431
Deferred tax (net)	1,046,267	740,402
Assets Held for Sale	12,332,610	9,479,967
Goodwill	681,007	681,007
	147,417,614	**93,654,807**
Other liabilities	153,187,824	253,914,174
Debt Securities issued	287,076,720	302,106,706
Interest-bearing loans and borrowings	558,996,259	311,617,187
Deferred tax	9,235,321	8,764,262
Retirement Benefit Obligation	3,086,010	2,495,274
Total liabilities	**1,011,582,134**	**878,897,603**

7a Operating segments (continued)

September 2018

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	179,536,171	116,689,687	31,389,113	47,615,386	-	375,230,358	375,230,358
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	179,536,171	116,689,687	31,389,113	47,615,386	-	375,230,358	375,230,358
Interest Income	94,475,632	129,599,239	23,162,298	24,259,848	-	271,497,016	271,497,016
Interest expense	(61,528,880)	(70,544,741)	(10,294,271)	(9,179,302)	-	(151,547,195)	(151,547,195)
Impairment Losses	(5,074,277)	(4,175,341)	854,553	41,753	-	(8,353,312)	(8,353,312)
Profit/(Loss) on ordinary activities before taxation	41,581,122	19,872,611	3,757,022	5,057,582	-	70,268,337	70,268,337
Income tax expense	(4,353,635)	(2,080,706)	(393,368)	(529,540)		(7,357,250)	(7,357,250)
Profit after tax	37,227,487	17,791,905	3,363,654	4,528,042		62,911,088	62,911,088
Assets and liabilities:							
Loans and Advances to banks and customers	834,343,294	1,140,365,858	64,494,859	44,291,132	-	2,083,495,143	2,083,495,143
Goodwill	-	-	-	-	-	-	-
Tangible segment assets	1,652,897,767	2,646,608,695	77,144,385	28,892,546	147,417,614	4,552,961,007	4,552,961,007
Unallocated segment assets	-	-	-	-	-	-	-
Total assets	1,652,897,767	2,646,608,695	77,144,385	28,892,546	147,417,614	4,552,961,007	4,552,961,007
Deposits from customers	897,802,464	902,560,218	294,764,312	379,681,347	-	2,474,808,340	2,474,808,340
Segment liabilities	1,245,285,278	1,253,426,097	213,448,748	358,747,182	1,011,582,134	4,082,489,438	4,082,489,438
Unallocated segment liabilities	-	-	-	-	-	-	-
Total liabilities	1,245,285,278	1,253,426,097	213,448,748	358,747,182	1,011,582,134	4,082,489,438	4,082,489,438
Net assets	407,612,489	1,393,182,598	(136,304,363)	(329,854,636)	(864,164,520)	470,471,568	470,471,568

December 2017
Operating segments (continued)

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	221,648,200	137,382,662	34,774,110	65,270,807	-	459,075,779	459,075,779
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	221,648,200	137,382,662	34,774,110	65,270,807	-	459,075,779	459,075,779
Interest Income	91,910,500	154,101,363	31,066,986	42,775,553	-	319,854,402	319,854,402
Interest expenses	(37,453,265)	(64,996,071)	(11,733,835)	(15,291,099)	(26,928,587)	(156,402,857)	(156,402,857)
Impairment Losses	(27,669,368)	(6,086,968)	578,891	(1,289,423)	-	(34,466,868)	(34,466,868)
Profit/(Loss) on ordinary activities before taxation	74,573,146	26,177,424	1,667,521	4,582,976	(26,928,587)	80,072,480	80,072,480
Income tax expense	(12,647,766)	(4,386,483)	(279,422)	(767,957)		(18,081,628)	(18,081,628)
Profit after tax						61,990,852	61,990,852
Assets and liabilities:							
Loans and Advances to banks and customers	817,361,325	1,118,643,435	73,969,035	54,127,908	-	2,064,101,703	2,064,101,703
Goodwill	-	-	-	-	681,007	681,007	681,007
Tangible segment assets	1,753,082,355	1,972,389,897	163,483,992	119,631,769	-	4,008,588,013	4,008,588,013
Unallocated segment assets	-	-	-	-	93,654,807	93,654,807	93,654,807
Total assets	1,753,082,355	1,972,389,897	163,483,992	119,631,769	93,654,807	4,102,242,820	4,102,242,820
Deposits from customers	397,529,002	976,398,417	311,944,929	559,006,727	-	2,244,879,075	2,244,879,075
Segment liabilities	493,234,417	1,170,538,200	373,969,733	670,155,458	-	2,707,897,808	2,707,897,808
Unallocated segment liabilities	-	-	-	-	878,897,603	878,897,603	878,897,603
Total liabilities	493,234,417	1,170,538,200	373,969,733	670,155,458	878,897,603	3,586,795,411	3,586,795,411
Net assets	1,259,847,938	801,851,697	(210,485,741)	(550,523,689)	(785,242,796)	515,447,410	515,447,410

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

September 2018 *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Intercompany elimination**	**Total**
Derived from external customers	313,215,399	44,218,661	23,272,981	(5,476,682)	375,230,358
Derived from other segments	-	-	-	-	-
Total revenue	313,215,399	44,218,661	23,272,981	(5,476,682)	375,230,358
Interest Income	230,439,468	31,061,598	18,472,633	(5,476,682)	274,497,017
Impairment losses	(7,875,384)	(253,182)	(224,745)		(8,353,312)
Interest expense	(138,815,616)	(13,042,686)	(5,165,575)	5,476,682	(151,547,195)
Net fee and commission income	33,269,026	10,311,326	(392,035)		43,188,317
Operating income	174,399,783	31,175,975	18,107,406	-	223,683,163
Profit before income tax	47,582,703	11,745,577	10,940,057	-	70,268,337
Assets and liabilities:					
Loans and advances to customers and banks	1,764,589,528	94,365,621	399,085,424	(174,545,431)	2,083,495,143
Non current assets					
Goodwill	-	681,007	-		681,007
Total assets	3,671,286,850	326,388,960	744,350,749	(189,065,552)	4,552,961,006
Deposit from customers	1,948,458,728	261,194,021	265,155,591	-	2,474,808,340
Total liabilities	3,260,872,550	307,386,794	700,331,033	(188,312,514)	4,080,277,866
Net assets	410,414,299	19,002,166	44,019,716	(753,038)	472,683,140

December 2017	**Nigeria**	**Rest of Africa**	**Europe**		**Total**
Derived from external customers	218,527,168	22,323,856	11,064,692	(5,340,311)	246,575,404
Derived from other segments	-	-	-		-
Total revenue	398,161,575	38,759,457	22,154,747		459,075,779
Interest Income	141,295,043	17,405,924	8,544,654	(5,340,311)	161,905,309
Impairment losses	(9,215,120)	(1,147,659)	-	-	(10,362,780)
Interest expense	(71,850,693)	(8,157,451)	(4,195,688)	5,340,311	(78,863,522)
Net fee and commission income	19,866,554	2,715,017	2,244,466	-	24,826,037
Operating income	146,676,475	14,166,405	6,869,004	-	167,711,883
Profit before income tax	45,266,456	2,657,282	4,125,030	-	52,048,767
Assets and liabilities:					
Loans and advances to customers and banks	1,872,711,740	95,388,270	292,493,325	(196,491,632)	2,064,101,702
Non current assets					
Goodwill	-	681,007	-		681,006
Total assets	3,499,683,979	370,890,232	675,986,646	(444,318,036)	4,102,242,820
Deposit from customers	1,910,773,713	250,507,180	203,729,763	(120,131,580)	2,244,879,075
Total liabilities	3,030,192,882	312,201,596	597,267,722	(352,866,788)	3,586,795,411
Net assets	469,491,097	58,688,636	78,718,924	(91,451,248)	515,447,408

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the Group's total revenue in period ended 30 June 2018 and for the year ended 31 December 2017. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.

8 Interest income

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Interest income				
Cash and balances with banks	4,909,687	3,016,944	2,748,058	1,780,044
Loans and advances to banks and customers	204,380,376	184,833,456	177,580,037	159,468,657
Investment securities				
-Financial assets at FVOCI	27,436,590	23,306,561	20,385,515	21,141,353
-Financial assets at FVPL	19,579,044	18,730,850	18,663,090	18,462,284
-Financial assets at amortised cost	18,191,320	15,985,225	11,062,769	11,175,715
	274,497,016	**245,873,036**	**230,439,468**	**212,028,054**
Interest expense				
Deposit from financial institutions	22,646,727	11,271,935	24,823,814	9,573,946
Deposit from customers	94,735,277	79,925,122	80,640,107	66,959,929
Debt securities issued	26,012,564	28,511,638	26,002,616	26,026,928
Interest bearing borrowings and other borrowed funds	8,152,627	4,691,642	7,349,080	8,950,612
	151,547,195	**124,400,338**	**138,815,616**	**111,511,415**
Net interest income	**122,949,821**	**121,472,699**	**91,623,852**	**100,516,639**

Increase in interest expense is due to growth in deposit volume and increasing trade related transactions. The increase in Interest Incomeis attributable to increase in the value of loans and advances to customers and repricing

9 Net impairment charge on financial assets

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Allowance for impairment on loans and advance to banks (note 22)	-	-	-	-
Allowance for impairment on loans and advance to customers (note 23) (a)	(7,909,335)	-	(7,431,408)	-
Allowance for impairment on financial assets in other assets (see note 26)	315,802	-	315,802	-
Allowance for impairment on off balance sheet items	(789,513)	-	(789,513)	-
Allowance for impairment on money market placement	(8,402)	-	(8,402)	-
Allowance for impairment on investment securities	38,136	-	38,136	-
Additional collective impairment charges on loans and advances to banks(note 22)	-	23,386	-	23,386
Additional collective impairment charges on loans and advances to customers (note 23)	-	(7,441,318)	-	(7,462,124)
Additional specific impairment charges on loans and advances to customers (see note 23) (a)	-	(5,369,369)	-	(4,356,538)
Additional (impairment)/write back on financial assets in other assets (see note 26)	-	(36,200)	-	315,930
	(8,353,312)	(12,823,502)	(7,875,384)	(11,479,346)

10 Fee and commission income

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Credit related fees and commissions	22,415,666	17,829,897	16,930,623	13,453,899
Account maintenance charge and handling commission	4,524,293	2,529,953	4,107,442	2,146,753
Commission on bills and letters of credit	1,724,609	3,065,099	1,538,769	2,775,850
Commissions on collections	209,622	148,012	167,550	117,670
Commission on other financial services	1,490,718	5,220,580	268,267	3,805,824
Commission on virtual products	3,734,603	2,876,365	2,021,339	1,772,290
Commission on foreign currency denominated transactions	3,739,482	3,253,001	3,168,722	2,962,274
Channels and other E-business income	5,591,727	3,666,220	5,061,951	3,408,237
Retail account charges	96,468	209,368	4,363	142,549
	43,527,191	**38,798,495**	**33,269,026**	**30,585,347**

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. These fees are accounted for in accordance with the Group's revenue accounting policy.

Channels and other E-business income include income from electronic channels, card products and related services.

11 Net gain/(loss) on investment securities

a Net gain/(loss) on financial instruments at fair value through profit or loss

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Fixed income securities	23,670,219	-	23,001,845	-
Derivative instruments	20,684,478	-	20,629,372	-
Fair value gain on equity invetments	29,847,164	-	29,847,164	-
Net gain/(loss) on financial instruments designated as held for trading				
Fixed income securities	-	(2,395,826)	-	(2,556,506)
Derivative instruments	-	(39,052,124)	-	(39,094,958)
	74,201,860	**(41,447,949)**	**73,478,382**	**(41,651,463)**

Net gains/(loss) on financial instruments classified as fair value through profit or loss includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

Fair value gain on equity investments is from investments in which the Bank has interests. As required by IFRS 9, the Bank adopted the option of measuring changes in fair value of equity investments through profit or loss.

Gain on derivative instruments are from transactions to which the Bank is a party in the normal course of business and are held at fair value. Derivative financial instruments consist of forward, swap and future contracts.

b (i) Net gains on financial instruments held as fair value through other comprehensive income

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Fixed income securities	900,561	-	900,561	-
b (ii) Net gains on financial instruments held as available for sale				
Fixed income securities	-	225,140	-	225,140
	900,561	**225,140**	**900,561**	**225,140**
Total	**75,102,421**	**(41,222,809)**	**74,378,943**	**(41,426,323)**

12 Net foreign exchange(loss)/income

In thousands of Naira

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Foreign exchange trading (loss)/income	(8,619,292)	116,456,194	(14,616,543)	113,895,248
Unrealised foreign exchange loss on revaluation	(20,960,523)	-	(20,441,314)	-
	(29,579,815)	**116,456,194**	**(35,057,855)**	**113,895,248**

Net Foreign exchange loss includes loss arising from the spot leg of derivatives with corresponding gains in note 11.

13 Other operating income

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Dividends on equity securities	2,729,747	2,357,176	2,729,747	2,357,176
Gain on disposal of property and equipment	612,839	11,753	589,041	6,451
Rental income	15,377	27,068	7,411	20,376
Bad debt recovered	1,696,642	667,544	1,056,825	416,782
Cash management charges	204,438	174,462	204,438	174,462
Income from agency and brokerage	265,447	214,409	265,447	214,409
Income from asset management	1,699,426	1,233,121	1,699,426	1,233,121
Income from other investments	699,490	211,657	-	-
Income from other financial services	3,760,138	252,857	3,633,483	210,138
	11,683,545	**5,150,047**	**10,185,818**	**4,632,916**

14 Personnel expenses

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Wages and salaries	39,152,431	41,514,053	27,960,291	32,766,727
Increase in liability for long term incentive plan (see note 37 (a) (i))	586,719	627,891	586,719	627,891
Contributions to defined contribution plans	1,103,123	898,013	614,191	494,309

Restricted share performance plan (b)	607,571	462,553	555,325	395,045
	41,449,845	**43,502,510**	**29,716,526**	**34,283,972**

(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 period 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. Some members of the Group also have a similar scheme, which has a vesting period of 7 periods. 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.

By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding twenty (20) per cent of the aggregate emoluments of the Bank's employees in each financial period 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 to seven periods commencing from the period 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

		September 2018		September 2017	
Description of shares		**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 period;	609,125,803	5.90	552,268,754	5.21
(ii)	Shares allocated during the period	161,489,590	9.51	15,823,300	6.40
(iii)	Forfeited during the period;	(99,380,669)	4.97	(63,777,758)	5.14
(iv)	Exercised during the period;	(121,662,772)	6.22	11,851,426	6.19
(v)	Shares allocated to staff at end of the period;	549,571,952	6.94	458,029,618	6.12
	Shares under the scheme at the end of the period	552,885,000	5.80	556,240,628	4.40
		Naira ('000)	**Price per Share - Naira**	**Naira ('000)**	**Price per Share - Naira**
Share based expense recognised during the period		607,571	6.94	462,553	6.12

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 2016 - 2018 vesting period	2016 - 2018	31 Dec 2018	216,693,182
Outstanding allocated shares for the 2017 - 2019 vesting period	2017 - 2019	31 Dec 2019	239,588,198
Outstanding allocated shares for the 2017 - 2024 vesting period	2017 - 2024	16 Jan 2024	1,800,361
Outstanding allocated shares for the 2018 - 2025 vesting period	2018 - 2025	16 Jan 2025	12,446,084
Outstanding allocated shares for the 2019 - 2026 vesting period	2019 - 2026	17 Feb 2026	25,593,301
Outstanding allocated shares for the 2020 - 2027 vesting period	2020 - 2027	7 Mar 2027	22,304,690
			518,425,816

Bank

		September 2018		September 2017	
Description of shares		**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 period;	583,799,951	5.93	519,145,746	5.93
(ii)	Shares allocated during the period	127,887,953	10.00	-	-
(iii)	Forfeited during the period;	(96,470,789)	5.14	(63,777,758)	5.14
(iv)	Exercised during the period;	(121,662,772)	6.19	11,851,426	6.19
(v)	Shares allocated to staff at end of the period;	479,672,910	7.25	409,083,310	7.25
(vi)	Shares under the scheme at the end of the period	482,582,790	5.93	507,294,320	5.93
		Naira ('000)	**Price per Share - Naira**	**Naira ('000)**	**Price per Share - Naira**
Share based expense recognised during the period		555,325	7.25	395,045	7.25

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 2015 - 2018 vesting period	2015 - 2018	1 Jul 2018	23,391,530
Outstanding allocated shares for the 2016 - 2019 vesting period	2016 - 2019	31 Dec 2019	216,693,182
Outstanding allocated shares for the 2017 - 2020 vesting period	2017 - 2020	31 Dec 2020	239,588,198
			479,672,910

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

	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
	periods	periods	periods	periods
Weighted average contractual life of remaining shares	1.95	1.08	1.93	1.11

15 Other operating expenses

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Premises and equipment costs	6,938,223	7,694,667	5,409,799	6,319,689
Professional fees	1,458,915	4,861,478	715,018	4,417,077
Insurance	919,738	980,142	707,073	784,975
Business travel expenses	5,492,537	5,629,537	4,788,453	5,118,247
Asset Management Corporation of Nigeria (AMCON) surcharge (see note (a) below)	17,498,420	15,474,803	17,498,420	15,474,803
Deposit insurance premium	6,427,236	4,404,685	6,427,236	4,404,685
Auditor's remuneration	349,962	385,242	293,125	275,846
Administrative expenses	13,439,826	18,054,530	12,072,227	17,582,859
Board expenses	1,133,291	609,433	934,082	403,513
Communication expenses	1,745,045	2,823,720	970,248	2,105,594
IT and e-business expenses	11,354,896	13,344,050	9,558,072	11,804,069
Outsourcing costs	6,530,239	6,271,748	5,652,837	5,482,359
Advertisements and marketing expenses	3,418,570	4,745,236	2,727,851	3,937,332
Recruitment and training	2,339,962	2,061,087	2,085,588	1,854,146
Events, charities and sponsorship	2,686,384	3,791,010	2,598,250	3,669,199
Periodicals and subscriptions	687,707	927,843	749,841	802,740
Security expenses	2,183,014	3,011,868	1,678,088	2,608,456
Cash processing and management cost	1,649,296	1,323,322	1,478,175	1,200,268
Stationeries, postage and printing	895,884	1,525,220	647,575	1,268,657
Office provisions and entertainment	415,614	391,059	227,753	222,089
	87,564,761	**98,310,679**	**77,219,707**	**89,736,606**

(a) This represents the Group's contribution to AMCON's sinking fund for the period ended 30 September 2018. All deposit money banks in Nigeria are required to contribute 0.5% of total assets as at the preceding period end to AMCON's sinking fund in line with existing guidelines. It is non-refundable and does not represent any ownership interest nor does it confer any rights or obligations (save to pay the levy) on the contributor.

16 Income tax

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Current tax expense				
Corporate income tax	6,834,818	9,181,781	4,274,877	7,287,311
IT tax	322,081	452,665	322,081	452,665
Education tax	-	620,196	-	620,196
Capital gains tax	620	325	621	325
	7,157,519	10,254,966	4,597,579	8,360,497
Deferred tax expense				
Origination of temporary differences	199,731	6,259,307	512,803	6,783,411
Income tax expense	**7,357,250**	**16,514,273**	**5,110,382**	**15,143,908**

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

	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Balance at the beginning of the period	7,489,586	5,938,662	4,547,920	5,004,160
Tax paid	(9,942,346)	(9,458,675)	(4,578,062)	(7,860,615)
Income tax charge	7,157,519	10,887,942	4,597,579	7,404,375
Prior period's under provision	-	1,841,940	-	1,841,940
Income tax receivable	(75,117)	(1,841,940)	-	(1,841,940)
Translation adjustments	(261,736)	121,657	-	-
Balance at the end of the period	**4,367,907**	**7,489,586**	**4,567,437**	**4,547,920**

Income tax liability is to be settled within one period

Income tax for the Bank has been assessed under the minimum tax regulation.

17 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 period excluding ordinary shares purchased by the company and held as treasury shares.

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Profit for the period from continuing operations	61,964,269	56,085,259	42,472,320	47,662,610
Weighted average number of ordinary shares in issue	28,927,972	28,927,972	28,927,972	28,927,972
Weighted average number of treasury Shares	552,885	509,006	-	-
	28,375,087	28,418,966	28,927,972	28,927,972
In kobo per share				
Basic earnings per share from continuing operations	218	197	147	165

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

Potential Diluted EPS

In thousands of Naira	Group September 2018	Group September 2017	Bank September 2018	Bank September 2017
Profit for the period from continuing operations	61,964,269	56,085,259	42,472,320	47,662,610
Weighted average number of ordinary shares in issue	28,927,972	28,927,972	28,927,972	28,927,972
In kobo per share				
Diluted earnings per share from continuing operations	214	194	147	165

18 Cash and balances with banks

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Cash on hand and balances with banks (see note (i))	429,918,307	217,912,766	206,972,635	177,809,307
Restricted deposits with central banks (see note (ii))	503,907,705	357,173,356	470,397,639	354,986,209
Unrestricted balances with central banks	48,089,263	28,837,649	29,227,653	7,976,547
Money market placements	197,906,904	261,805,783	-	28,157,562
Other deposits with central banks (see note (iii))	137,371,412	88,214,622	137,371,412	88,214,622
	1,317,193,591	**953,944,176**	**843,969,339**	**657,144,247**
ECL on Placements	(23,323)	-	(20,858)	-
	1,317,170,268	**953,944,176**	**843,948,481**	**657,144,247**

(i) Included in cash on hand and balances with banks is an amount of N57.5Bn (31 Dec 2017: N33.045Bn) 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.

(iii) Other deposits with central banks comprise a special intervention fund with the Central Bank of Nigeria of N49.6Bn introduced in January 2016 as a reduction in the cash reserve ratio with a view of channeling the reduction to financing the real sector. The special intervention fund is restricted and not available for day to day use by the Bank. The balance of N68.69bn represents the nominal value of outstanding forward contracts entered on behalf of customers, with the Central Bank of Nigeria.

Movement in ECL on Placements

	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Opening balance (see note 3.30)	14,921	-	12,456	-
Additions	8,402	-	8,402	-
Closing balance	**23,323**	**-**	**20,858**	**-**

19 Investment under management

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Relating to unclaimed dividends:				
Government bonds	933,237	357,441	933,237	357,441
Placements	5,690,560	6,283,077	5,690,560	6,283,077
Commercial paper	2,177,023	6,992,904	2,177,023	6,992,904
Nigerian treasury bills	7,982,328	1,972,963	7,982,328	1,972,963
Mutual funds	2,371,042	2,664,746	2,371,042	2,664,746
Others				
Eurobonds	2,166,000	1,986,000	2,166,000	1,986,000
	21,320,190	**20,257,131**	**21,320,190**	**20,257,131**

The Bank entrusted the sum transferred to it by the Registrars in respect of unclaimed dividends with select Asset Managers who will ensure safekeeping and manage the funds for the benefit of the Bank. The investments by the Asset Managers are as listed above (the corresponding liability which is due to the Registrar is reported as "unclaimed dividend" in Other liabilities.

20 Non pledged trading assets

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Government bonds	3,314,122	9,031,525	3,314,122	9,031,525
Eurobonds	11,705	19,369	11,705.20	19,369
Treasury bills	23,701,174	37,743,819	18,424,560.07	33,906,748
Equity securities	59,348	59,348	59,347.64	59,348
	27,086,349	**46,854,061**	**21,809,735**	**43,016,990**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2018		December 2017	
Group				
Foreign exchange derivatives				
Total derivative assets	**583,741,248**	**115,056,365**	**426,342,495**	**93,419,293**
Non-deliverable Future contracts	7,143,437	292,190	280,403,522	8,311,492
Forward and Swap contracts	576,597,812	114,764,177	145,938,973	85,107,801
Total derivative liabilities	**162,438,689**	**(7,223,665)**	**237,298,924**	**(5,332,177)**
Non-deliverable Future contracts	-	(141,358)	145,200,611	(1,314,399)
Forward and Swap contracts	162,438,688.91	(7,082,308)	92,098,313	(4,017,778)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2018		December 2017	
Bank				
Foreign exchange derivatives				
Total derivative assets	**576,597,812**	**114,809,802**	**390,798,265**	**92,390,219**
Non-deliverable Future contracts	-	292,190	145,938,973	8,311,492
Forward and Swap contracts	576,597,812	114,517,613	244,859,292	84,078,727
Total derivative liabilities	**157,460,250**	**(7,092,963)**	**233,911,428**	**(5,306,450)**
Non-deliverable Future contracts	-	(141,358)	145,200,611	(1,314,399)
Forward and Swap contracts	157,460,250	(6,951,605)	88,710,817	(3,992,051)

Derivative financial instruments consist of forward, swap and future 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 30 days and two years. All derivative contracts are considered to be valued with reference to data obtained from the Financial Market Dealer Quotation (FMDQ).

Included in other liabilities are security deposits for swap and future deals which are deposits (collaterised deposits) by counter parties.

The movement in fair value is as a result of a depreciation of the functional currency of the Group (Naira) within the period and an increase in the volume of transactions.

22 Loans and advances to banks

In thousands of Naira	Group June 2018	Group December 2017	Bank June 2018	Bank December 2017
Loans and advances to banks	110,108,069	68,155,582	100,279,344	101,470,507
Less allowance for impairment losses	(49,832)	(41,506)	(49,832)	(41,506)
	110,058,237	**68,114,076**	**100,229,513**	**101,429,001**

Group

Impairment allowance for loans and advances to banks

In thousands of Naira	September 2018			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to banks	**110,108,069**	-	-	110,108,069
Total	**110,108,069**	-	-	**110,108,069**

	September 2018			
	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2018	(41,506)	-	-	(41,506)
- Charge for the period	(8,326)	-	-	(8,326)
At 30 September 2018	**(49,832)**	-	-	**(49,832)**

Bank

Impairment allowance for loans and advances to banks

In thousands of Naira	September 2018				
	Stage 1	Stage 2	Stage 3		Total ECL
Loans and advances to banks	**100,279,344**	-	-	€	100,279,344
Total	**100,279,344**	-	-		**100,279,344**

	September 2018			
	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2018	(41,506)	-	-	(41,506)
- Charge for the period	(8,326)	-	-	(8,326)
At 30 September 2018	**(49,832)**	-	-	**(49,832)**

Collective allowances for impairment on loans and advances to banks

In thousands of Naira	Group December 2017	Bank December 2017
Balance beginning of period	23,386	23,386
- Charge for the period	18,120	18,120
Balance end of period	41,506	41,506

23 Loans and advances to customers

a Group

In thousands of Naira	June 2018
Loans to individuals	
Retail Exposures	79,385,382
Less Alowance for ECL/Impairment losses	(1,728,890)
	77,656,492
Loans to corporate entities and other organizations	
Non-Retail Exposures	2,001,204,456
Less Alowance for ECL/Impairment losses	(103,212,471)
	1,897,991,985
Loans and advances to customers (Individual and corporate entities and other organizations)	2,080,589,838
Less Allowance for ECL/Impairment losses	(104,941,361)
	1,975,648,478

Group

December 2017 *In thousands of Naira*	Gross amount	Specific impairment allowance	Collective impairment allowance	Total impairment allowance	Carrying amount
Loans to individuals					
Retail Exposures					
Auto Loan (note 23c)	1,878,145	-	(28,513)	(28,513)	1,849,632
Credit Card	3,019,121	(4,573)	(49,438)	(54,011)	2,965,110
Finance Lease (note 23c)	1,226,099	(5,475)	(2,528)	(8,003)	1,218,096
Mortgage Loan	33,118,619	-	(78,340)	(78,340)	33,040,279
Overdraft	2,494,735	(138,278)	(181,960)	(320,238)	2,174,497
Personal Loan	17,615,988	(224,442)	(253,600)	(478,042)	17,137,946
Term Loan	7,175,548	(40,237)	(68,982)	(109,219)	7,066,329
Time Loan	902,195	-	(17,426)	(17,426)	884,769
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan (note 23c)	1,620,583	-	(20,156)	(20,156)	1,600,427
Credit Card	453,502	(1,036)	(6,654)	(7,690)	445,812
Finance Lease (note 23c)	3,620,889	(142,940)	(53,943)	(196,883)	3,424,006
Mortgage Loan	10,584,856	-	(2,199)	(2,199)	10,582,657
Overdraft	199,670,621	(11,268,914)	(5,686,787)	(16,955,701)	182,714,920
Term Loan	1,269,478,525	(23,972,545)	(13,331,658)	(37,304,203)	1,232,174,322
Time Loan	506,996,017	(5,987,075)	(2,300,117)	(8,287,192)	498,708,825
	2,059,855,443	**(41,785,515)**	**(22,082,301)**	**(63,867,816)**	**1,995,987,627**

Impairment allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

	September 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Retail Exposures	71,759,028	2,384,216	5,242,138	79,385,382
Total	**71,759,028**	**2,384,216**	**5,242,138**	**79,385,382**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2018	35,736	84,731	1,496,547	1,617,014
- Charge for the period	67,280	100,825	(56,228)	111,876
At 30 September 2018	**103,016**	**185,556**	**1,440,318**	**1,728,890**

Loans to corporate entities and other organizations
In thousands of Naira

	September 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Non-Retail Exposures	1,613,143,806	290,232,702	97,827,948	2,001,204,456
Total	**1,613,143,806**	**290,232,702**	**97,827,948**	**2,001,204,456**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2018	25,316,065	43,953,123	69,967,974	139,237,162
Assets derecognised or repaid	-	-	(43,822,151)	(43,822,151)
'- Charge for the period	11,733,204	2,327,496	(6,263,241)	7,797,460
At 30 September 2018	**37,049,268**	**46,280,619**	**19,882,582**	**103,212,471**

Impairment on loans and advances to customers

In thousands of Naira	**Specific allowances December 2017**	**Collective allowances December 2017**
Balance beginning of period	14,755,727	20,950,565
Impairment loss for the period:		
- Charge for the period	32,766,818	1,132,010
Write-offs	(5,737,030)	(274)
Balance end of period	**41,785,515**	**22,082,302**

23 Loans and advances to customers

b Bank

In thousands of Naira	**June 2018**
Loans to individuals	
Retail Exposures	37,693,531
Less Alowance for ECL/Impairment losses	(1,239,803)
	36,453,728
Loans to corporate entities and other organizations	
Non-Retail Exposures	1,722,442,660
Less Alowance for ECL/Impairment losses	(94,536,373)
	1,627,906,287
Loans and advances to customers (Individual and corporate entities and other organizations)	1,760,136,191
Less Alowance for ECL/Impairment losses	(95,776,176)
	1,664,360,015

Bank

December 2017 *In thousands of Naira*	**Gross amount**	**Specific impairment allowance**	**Collective impairment allowance**	**Total impairment allowance**	**Carrying amount**
Loans to individuals					
Retail Exposures					
Auto Loan (note 23c)	1,671,616	-	(28,513)	(28,513)	1,643,103
Credit Card	2,905,420	(4,573)	(49,001)	(53,574)	2,851,846
Finance Lease (note 23c)	63,923	-	(1,560)	(1,560)	62,363
Mortgage Loan	4,230,374	-	(67,507)	(67,507)	4,162,867
Overdraft	2,367,502	(138,090)	(181,960)	(320,050)	2,047,452
Personal Loan	15,085,225	(219,417)	(252,613)	(472,030)	14,613,195
Term Loan	3,125,406	(40,237)	(51,323)	(91,560)	3,033,846
Time Loan	804,672	-	(13,266)	(13,266)	791,406
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan (note 23c)	1,620,583	-	(20,156)	(20,156)	1,600,427
Credit Card	418,797	(1,036)	(6,008)	(7,044)	411,753
Finance Lease (note 23c)	3,620,889	(142,940)	(53,943)	(196,883)	3,424,006
Overdraft	154,534,930	(10,481,531)	(4,039,943)	(14,521,474)	140,013,456
Term Loan	1,194,329,450	(19,011,299)	(13,240,527)	(32,251,826)	1,162,077,624
Time Loan	442,793,354	(5,977,636)	(2,266,323)	(8,243,959)	434,549,395
	1,827,572,141	**(36,016,759)**	**(20,272,643)**	**(56,289,402)**	**1,771,282,739**

Impairment allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	September 2018			
	Stage 1	Stage 2	Stage 3	Total
Retail Exposures	31,669,531	1,676,790	4,347,210	37,693,531
Total	**31,669,531**	**1,676,790**	**4,347,210**	**37,693,531**

	Stage 1	**Stage 2**	**Stage 3**	Total ECL
ECL allowance as at 1 January 2018	22,153	62,031	1,246,920	1,331,104
- Charge for the period	7,169	(15,574)	(82,897)	(91,301)
At 30 September 2018	**29,322**	**46,458**	**1,164,022**	**1,239,803**

Loans to corporate entities and other organizations

In thousands of Naira	**September 2018**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Non-Retail Exposures	1,404,513,669	238,572,793	79,356,198	1,722,442,660
Total	**1,404,513,669**	**238,572,793**	**79,356,198**	**1,722,442,660**

	Stage 1	**Stage 2**	**Stage 3**	Total ECL
ECL allowance as at 1 January 2018	20,158,677	38,198,829	68,933,947	127,291,453
- Charge for the period	10,946,441	1,875,095	(5,298,827)	7,522,709
Assets derecognised	-	-	(40,277,789)	(40,277,789)
At 30 September 2018	**31,105,118**	**40,073,924**	**23,357,330**	**94,536,373**

Impairment on loans and advances to customers

In thousands of Naira	**Specific allowances December 2017**	**Collective allowances December 2017**
Balance beginning of period	10,084,316	20,191,198
Impairment loss for the period:		
- Charge for the period	29,365,940	81,718
Write-offs	(3,433,497)	(273)
Balance end of period	**36,016,759**	**20,272,643**

24 Pledged assets

In thousands of Naira	**Group** **September 2018**	**Group** **December 2017**	**Bank** **September 2018**	**Bank** **December 2017**
-Financial instruments at FVOCI				
Treasury bills	12,862,645	-	12,862,645	-
Government bonds	8,158,722	-	8,158,722	-
	21,021,367	-	21,021,367	-
-Financial instruments at amortised cost				
Treasury bills	125,968,130	-	125,968,130	-
Government bonds	126,912,620	-	126,912,620	-
	252,880,750	-	252,880,750	-
-Financial instruments at FVPL				
Treasury bills	10,043,971	-	10,043,971	-
Government bonds	-	-	-	-
	10,043,971	-	10,043,971	-
Treasury bills	-	258,672,815	-	252,061,738
Government bonds	-	188,441,589	-	188,441,589
	-	447,114,404	-	440,503,327
	283,946,088	**447,114,404**	**283,946,088**	**440,503,327**
The related liability for assets pledged as collateral include:				
Bank of Industry (BOI)	43,358,125	18,309,954	43,358,125	18,309,954

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. Pledged assets includes pledges to counterparties for total return swap of N 95.08 bn (31 December 2017: N200.29bn). The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets.

25 Investment securities

At fair value through other comprehensive income *In thousands of Naira*	**Group September 2018**	**Group December 2017**	**Bank September 2018**	**Bank December 2017**
Debt securities				
Government bonds	68,476,875	-	40,249,950	-
Treasury bills	74,287,387	-	19,991,437	-
Eurobonds	6,658	-	6,658	-
Corporate bonds	7,013,341	-	7,013,341	-
State government bonds	650,113	-	650,113	-
	150,434,374	**-**	**67,911,498**	**-**

Available For Sale *In thousands of Naira*	**Group September 2018**	**Group December 2017**	**Bank September 2018**	**Bank December 2017**
Debt securities				
Government bonds	-	34,112,643	-	9,319,691
Treasury bills	-	29,977,451	-	9,598,737
Eurobonds	-	1,572,222	-	352,100
Corporate bonds	-	3,744,387	-	3,744,387
State government bonds	-	14,650,116	-	14,650,116
	-	**84,056,819**	**-**	**37,665,031**
At fair value through profit or loss *In thousands of Naira*				
Equity securities				
Equity securities at fair value through profit or loss	103,482,263	-	103,049,135	-
	103,482,263	-	103,049,135	-
Specific allowance for impairment on investments	-	-	-	-
	103,482,263	**-**	**103,049,135**	**-**
Equity securities				
Equity securities with readily determinable fair values (i)	-	69,581,098	-	69,181,956
Unquoted equity securities at cost	-	3,145,697	-	3,145,697
	-	72,726,795	-	72,327,653
Specific allowance for impairment on available for sale investments	-	(3,409,804)	-	(3,409,804)
	253,916,637	**153,373,810**	**170,960,633**	**106,582,880**

The fair value of the unquoted equity securities carried at cost cannot be reliably estimated as there are no active market for these financial instruments; they have therefore been disclosed at cost less impairment. These equity investments have been fully impaired and has a nil balance in the group financial statement.

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

MTN Nigeria	11,391,487	8,760,176	11,391,487	8,760,176
Central securities clearing system limited	1,491,300	1,343,868	1,491,300	1,343,868
Nigeria interbank settlement system plc.	3,123,447	3,396,757	3,123,447	3,396,757
Unified payment services limited	3,546,000	3,130,451	3,546,000	3,130,451
Africa finance corporation	81,522,825	50,882,911	81,522,825	50,882,911
E-Tranzact	906,435	1,147,387	906,435	1,147,387
African export-import bank	28,600	14,984	28,600	14,984
FMDQ OTC Plc	143,000	130,610	143,000	130,610
Nigerian mortage refinance company plc.	203,700	93,186	203,700	93,186
Credit reference company	389,000	281,628	389,000	281,626
NG Clearing Limited	303,340	-	303,340	-
Others	433,128	399,140	-	-
	103,482,263	69,581,098	103,049,135	69,181,956

At Amortised cost
In thousands of Naira

Debt securities				
Treasury bills	127,328,964	-	80,699,891	-
Federal government bonds	55,269,365	-	29,683,445	-
State government bonds	6,939,575	-	6,939,575	-
Corporate bonds	462,530.16	-	462,530	-
Eurobonds	2,977,276	-	1,945,781	-
Gross amount	192,977,710	-	119,731,221	-
ECL on financial assets at amortized cost	(5,756)		(5,756)	
Carrying amount	192,971,954	-	119,725,466	-

Held to maturity investment securities
In thousands of Naira

Debt securities				
Treasury bills	-	88,203,365	-	5,837,568
Federal government bonds	-	30,127,895	-	2,654,168
State government bonds	-	3,786,715	-	3,786,715
Corporate bonds	-	610,777	-	610,777
Eurobonds	-	2,065,195	-	2,065,195
	-	124,793,947	-	14,954,423
Total	**446,888,591**	**278,167,757**	**290,686,098**	**121,537,303**

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Balance, beginning of period	3,409,804	-	3,409,805	-
Allowance written off	(3,409,804)	-	(3,409,805)	-
Balance, end of period	-	-	-	-

Specific allowance for impairment on available for sale investment securities

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Balance, beginning of period	-	3,389,059	-	3,389,059
Revaluation difference	-	20,745	-	20,745
Balance, end of period	-	**3,409,804**	-	**3,409,804**

ECL on financial assets at fair value through OCI are in OCI

ECL allowance on investments at amortized cost

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Balance, beginning of period (see note 3.30)	36,401	-	36,401	-
Additional allowance/(write back)	(5,031)	-	(5,031)	-
Balance, end of period	**31,370**	-	**31,370**	-

25 (b) Debt instruments other than those designated at Held for trading

The table below shows the fair value of the Bank's debt instruments measured at FVOCI and amortized cost by credit risk, based on the Bank's internal credit rating system and period end- stage classificaton.

Group

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	68,476,875	-
Treasury bills	74,287,387	-
Eurobonds	6,658	5
Corporate bonds	7,013,341	1,514
State government bonds	650,113	48,358
Total	**150,434,374**	**49,877**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	55,269,365	-	55,269,365
Treasury bills	127,328,964	-	127,328,964
Eurobonds	2,977,276	1,310	2,975,966
Corporate bonds	462,530	29,855	432,675
State government bonds	6,939,575	205	6,939,369
Total	**192,977,710**	**31,370**	**192,946,340**

Bank

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	40,249,950	-
Treasury bills	19,991,437	-
Eurobonds	6,658	5
Corporate bonds	7,013,341	1,514
State government bonds	650,113	48,358
Total	**67,911,498**	**49,877**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	29,683,445	-	29,683,445
Treasury bills	80,699,891	-	80,699,891
Eurobonds	1,945,781	1,310	1,944,471
Corporate bonds	462,530	29,855	432,675
State government bonds	6,939,575	205	6,939,369
Total	**119,731,222**	**31,370**	**119,699,852**

GROUP

Financial instruments at fair value through other comprehensive income
In thousands of Naira

	September 2018			
	stage 1	**Stage 2**	**Stage 3**	**Total**
Financial Instruments	150,434,374	-	-	150,434,374
Total	**150,434,374**	**-**	**-**	**150,434,374**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2018	49,506	371	264,107	313,984
Amounts written off	-	-	(264,107)	(264,107)
At 30 September 2018	**49,506**	**371**	**-**	**49,877**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Financial Instruments	117,334,767	2,396,455	-	119,731,222
Total	**117,334,767**	**2,396,455**	**-**	**119,731,222**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2018	27,923	8,478	-	36,401
- Charge for the period	(27,718)	22,687	-	(5,031)
At 30 September 2018	**205**	**31,165**	**-**	**31,370**

September 2018

Bank

Financial instruments at fair value through other comprehensive income
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Financial Instruments	67,911,498	-	-	67,911,498
Total	**67,911,498**	**-**	**-**	**67,911,498**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2018	49,506	371	264,107	313,984
Amounts written off	-	-	(264,107)	(264,107)
At 30 September 2018	**49,506**	**371**	**-**	**49,877**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Financial Instruments	117,334,767	2,396,455	-	119,731,222
Total	**117,334,767**	**2,396,455**	**-**	**119,731,222**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2018	27,923	8,478		36,401
- Charge for the period	(27,718)	22,687	-	(5,031)
Amounts written off	-	-	-	-
At 30 September 2018	**205**	**31,165**	**-**	**31,370**

26 Other assets

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Financial assets				
Accounts receivable	57,116,269	29,153,379	42,539,281	15,988,773
Receivable on E-business channels	23,894,745	16,502,776	23,766,349	16,502,776
Receivable from disposal of non-current asset	21,508,640	-	21,508,640	-
Deposit for investment in AGSMEIS (i)	5,863,248	3,201,307	5,863,248	3,201,307
Subscription for investment (ii)	738,271	612,055	738,271	920,768
	109,121,174	49,469,517	94,415,789	36,613,624
Non-financial assets				
Prepayments	25,192,479	34,611,075	17,828,557	29,329,124
Inventory	1,167,309	1,343,160	930,456	1,343,159
	26,359,788	35,954,235	18,759,013	30,672,283
Gross other assets	135,480,963	85,423,752	113,174,802	67,285,907
Allowance for impairment on financial assets				
Accounts receivable	(2,098,231)	(2,645,320)	(1,587,229)	(2,071,109)
Subscription for investment	(25,002)	(25,001)	(25,001)	(25,001)
	133,357,729	**82,753,431**	**111,562,572**	**65,189,797**

Movement in allowance for impairment on other assets:

In thousands of Naira	Group Accounts Receivable	Group subscription for investments	Bank Accounts Receivable	Bank subscription for investments
Balance as at 1 January 2017	2,942,856	25,001	2,942,857	25,001
Impairment loss for the period:				
- Additional provision/(Writeback)	549,920	-	(315,930)	-
Net impairment	549,920	-	(315,930)	-
Allowance written off	(847,456)	-	(555,818)	-
Revaluation difference	-	-	-	-
Balance as at 31 December 2017/1 January 2018	2,645,320	25,001	2,071,109	25,001
Impairment loss for the period:				
- Additional provision	98,034	-	4,688	-
- Writeback	(413,837)	-	(320,491)	-
Net impairment	(315,802)	-	(315,802)	-
Allowance written off	(187,338)	-	(187,303)	-
Balance as at 30 September 2018	2,142,180	25,001	1,568,004	25,001

(i) Deposit for investment in AGSMEIS represents the Bank's deposit as equity investment in Agri-business/Small and Medium Enterprises Investment Scheme. As approved by the Bankers' Committee on 9th February 2017, all Deposit Money Banks are required to invest 5% of prior period's Profit After Tax as equity investment in the scheme.

(ii) Subscription for investment balance relates to deposits paid for the acquisition of equity investments for which shares have not been issued to the Bank. During the period the bank made a deposit for investment in a proposed African subsidiary

Inventory consists of blank debit cards, cheque leaves, computer consumables and other stationery held by the Bank.
Increase in prepayments resulted from services that have been paid in advance for the period for which the amortization will be over the relevant period of service. These include rents and advertisements.

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

Set out below are the group's subsidiaries as at 30 September 2018. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

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

	Nature of business	Country of incorporation	Ownership interest	
			September 2018	December 2017
Access Bank Gambia Limited	Banking	Gambia	88%	88%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	97%	97%
Access Bank Rwanda Limited	Banking	Rwanda	75%	75%
Access Bank Zambia	Banking	Zambia	70%	70%
The Access Bank UK	Banking	United Kingdom	100%	100%
Access Bank R.D. Congo	Banking	Congo	99.98%	99.98%
Access Bank Ghana	Banking	Ghana	93%	91%
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.

The transaction for which the entity was set up matured during the period. Management has not decided on the possibility of the entity existing beyond the maturity of the obligation.

(ii) Structured entities:

	Nature of business	Country of incorporation	Ownership interest	
			September 2018	December 2017
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

27(b) Investment in subsidiaries

In thousands of Naira	Bank September 2018	Bank December 2017
Subsidiaries with continuing operations		
Access Bank, UK	47,903,661	40,500,598
Access Bank, Ghana	32,195,607	15,558,107
Access Bank Rwanda	1,578,825	1,578,825
Access Bank, Congo	13,205,190	13,205,189
Access Bank, Zambia	4,274,925	4,274,925
Access Bank, Gambia	7,061,501	7,061,501
Access Bank, Sierra Leone	1,582,486	1,582,486
Investment in RSPP scheme	3,704,581	4,028,908
Access Bank Finance B.V.	4,092	4,092
Balance, end of period	**111,510,868**	**87,794,631**

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.

27 (c) Condensed results of consolidated entities

(i) The condensed financial data o September 2018 are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.
Operating income	23,272,981	30,688,776	3,308,140	4,186,978	4,295,669	1,025,254	713,844	-	-
Operating expenses	(12,108,179)	(21,288,191)	(2,605,363)	(3,351,553)	(3,464,507)	(826,858)	(683,429)	-	-
Net impairment loss on financial assets	(224,745)	(15,586)	(114,103)	(4,810)	(118,079)	(603)	-	-	-
Profit before tax	10,940,057	9,367,226	588,673	830,614	713,083	197,792	30,414	-	-
Income tax expense	(1,996,961)	-	(212,536)	-	-	(32,730)	(4,640)	-	-
Profit for the period	8,943,095	9,367,226	376,137	830,614	713,083	165,062	25,774	-	-
Assets									
Cash and cash equivalents	346,119,372	82,749,567	21,839,465	21,690,027	11,931,999	2,913,373	498,107	-	4,092
Non pledged trading assets	-	5,276,614	-	-	-	-	-	-	-
Pledged assets	-	-	-	-	-	-	-	-	-
Derivative financial instruments	40,654	-	205,909	-	-	-	-	-	-
Loans and advances to banks	184,374,156	-	-	-	-	-	-	-	-
Loans and advances to customers	214,711,268	66,382,002	9,978,052	14,027,000	2,813,082	500,326	665,159	-	-
Investment securities	49,475,809	66,657,114	2,178,284	-	27,966,643	7,028,264	2,896,377	-	-
Other assets	2,301,527	11,990,042	997,959	2,622,210	1,980,112	1,130,573	772,735	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	4,047,282	-
Property and equipment	738,245	9,692,692	1,099,640	2,072,163	824,438	754,150	247,568	-	-
Intangible assets	256,161	330,711	-	101,082	118,024	93,426	20,964	-	-
Deferred tax assets	-	188,637	-	-	802,190	-	55,439	-	-
Non - current assets held for sale	-	-	141,264	-	-	-	-	-	-
	798,017,192	243,267,380	36,440,574	40,512,484	46,436,489	12,420,112	5,156,350	4,047,282	4,092
	797,793,823	243,267,139							
Financed by:									
Deposits from banks	438,313,683	7,763,972	-	-	(832,514)	183,334	-	-	-
Deposits from customers	265,155,591	155,700,660	32,780,601	25,209,743	36,316,922	7,976,876	3,209,219	-	-
Derivative Liability	130,702	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	12,705	-	-	4,669	-	-	-	-
Current tax liabilities	550,865	(802,633)	52,237	-	-	-	-	-	-
Other liabilities	3,469,661	3,144,763	759,030	9,716,633	1,058,165	709,881	334,280	-	-
Interest-bearing loans and borrowings	-	21,087,981	1,736,131	-	441,704	-	-	-	-
Deferred tax liabilities	51,567	611,585	203,149	-	-	7,702	-	-	-
Equity	90,345,123	55,748,347	909,426	5,586,107	9,447,544	3,542,319	1,612,851	4,047,282	4,092
	798,017,191	243,267,380	36,440,573	40,512,483	46,436,489	12,420,112	5,156,350	4,047,282	4,092

27 (d) Condensed results of consolidated entities
(i) The condensed financial data of the consolidated entities as at December 2017 are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.
Operating income	14,962,209	21,529,191	3,084,907	4,172,949	1,686,079	1,028,016	986,333	-	118,255
Operating expenses	(6,048,057)	(14,070,445)	(2,773,919)	(3,410,831)	(2,428,083)	(798,685)	(718,476)	-	(28,157)
Net impairment loss on financial assets	-	(3,062,381)	(14,651)	(393)	(1,157,400)	(22,008)	(5,475)	-	-
Profit before tax	8,914,151	4,396,365	296,337	761,726	(1,899,404)	207,322	262,381	-	90,098
Taxation	(1,810,740)	(2,175,631)	(189,704)	-	-	(25,970)	(76,147)	-	1,243
Profit for the period	7,103,411	2,220,734	106,633	761,726	(1,899,404)	181,352	186,234	-	91,342

Statement of financial position as at 31 December 2017

	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.
Assets									
Cash and cash equivalents	311,472,705	86,741,693	15,134,815	20,494,593	13,555,223	1,958,940	1,191,427	-	502,841
Non pledged trading assets	-	3,837,071	-	-	-	-	-	-	-
Derivative financial instruments	876,441	-	152,633	-	-	-	-	-	-
Loans and advances to banks	163,088,579	-	-	-	-	-	-	-	-
Loans and advances to customers	129,404,746	69,137,927	12,701,441	8,895,050	3,389,900	561,819	702,133	-	-
Pledged assets	-	-	-	-	-	6,611,077	-	-	-
Investment securities	63,926,977	67,369,279	4,916,259	-	16,873,602	762,287	2,782,050	4,028,910	-
Other assets	2,178,222	12,335,432	779,994	1,064,059	1,952,200	1,133,583	551,709	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	-	-
Property and equipment	183,100	9,540,301	447,829	1,355,224	802,356	813,711	295,397	-	-
Intangible assets	324,125	330,471	635,960	108,950	117,500	84,665	31,270	-	-
Deferred tax assets	-	197,789	-	-	482,534	-	60,079	-	-
	671,454,895	**249,489,963**	**34,768,931**	**31,917,876**	**37,173,315**	**11,926,082**	**5,614,065**	**4,028,910**	**502,841**
Financed by:									
Deposits from banks	387,555,089	14,810,633	-	-	2,136,129	18,579	-	-	-
Deposits from customers	203,729,763	167,004,704	28,071,794	18,694,179	25,324,734	7,672,977	3,738,792	-	-
Derivative Liability	25,727	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	-	-	-	-	-	13,358	-	-
Current tax liabilities	1,195,829	1,540,259	45,738	130,601	-	-	-	-	29,239
Other liabilities	4,625,682	1,842,876	606,838	8,825,132	639,747	761,165	140,223	-	47,737
Interest-bearing loans and borrowings	-	26,819,317	2,156,640	-	350,090	-	-	-	-
Deferred tax liability	58,656	641,257	154,059	-	-	61,775	-	-	-
Equity	74,264,149	36,830,917	3,733,862	4,267,964	8,722,615	3,411,586	1,721,692	4,028,910	425,865
	671,454,895	**249,489,963**	**34,768,931**	**31,917,876**	**37,173,315**	**11,926,082**	**5,614,065**	**4,028,910**	**502,841**
Net cashflows from investing activities	(31,154,411)	(2,020,906)	(3,548,214)	(387,615)	567,561	120,490	-	-	68,162,205
Net cashflows from financing activities	10,255,390	7,247,347	(114,281)	-	(17,799)	-	(57,088)	-	(67,394,003)
Increase/(Decrease) in cash and cash equivalents	47,114,822	61,467,964	505,117	17,133,014	17,141,349	697,018	(367,610)	-	855,278
Cash and cash equivalent, beginning of period	192,853,632	33,677,911	8,240,384	2,523,369	9,360,900	810,868	1,144,498	-	152,390,477
Effect of exchange rate fluctuations on cash held	-	-	-	-	-	-	-	-	(863,274)
Cash and cash equivalent, end of period	239,968,454	95,145,875	8,745,501	19,656,383	26,502,249	1,507,886	776,888	-	152,382,481

28 Property and equipment
Group
In thousands of Naira

	Leasehold improvement and building	Leasehold Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost							
Balance at 1 January 2018	60,283,322	9,742,073	24,921,719	46,819,583	15,213,972	8,633,948	165,614,617
Acquisitions	4,014,306	231,210	909,091	7,354,751	2,995,115	1,211,031	16,715,503
Disposals	(425,815)	(104,272)	(72,872)	(750,939)	(472,350)	-	(1,826,248)
Transfers	3,154,937	-	(1,020,327)	-	-	(2,134,610)	-
Translation difference	-	-	(451,317)	(182,777)	395,378	143,517	(95,199)
Balance at 30 September 2018	**67,026,750**	**9,869,011**	**24,286,293**	**53,240,618**	**18,132,115**	**7,853,886**	**180,408,672**
Balance at 1 January 2017	55,996,220	9,742,073	24,028,522	35,303,353	11,615,441	5,491,263	142,176,872
Acquisitions	3,052,577	-	824,948	12,003,579	4,016,068	3,989,340	23,886,512
Disposals	(134,651)	-	(142,057)	(379,433)	(298,209)	-	(954,350)
Transfers	1,359,946	-	79,880	33,632	12,132	(1,485,590)	-
Translation difference	9,229	-	130,426	(141,548)	(131,460)	638,935	505,582
Balance at 31 December 2017	60,283,322	9,742,073	24,921,719	46,819,583	15,213,972	8,633,948	165,614,616

Depreciation and impairment losses	Leasehold improvement and building	Leasehold Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2018	12,870,311	-	18,285,808	28,723,668	8,620,188	-	68,499,975
Charge for the period	1,537,726	-	2,397,757	4,600,683	1,844,347	-	10,380,513
Disposal	(318,463)	-	(63,872)	(692,212)	(372,350)	-	(1,446,897)
Translation difference	856,959	-	(406,074)	-	(8,211)	-	442,674
Balance at 30 September 2018	**14,946,533**	**-**	**20,213,619**	**32,632,138**	**10,083,974**	**-**	**77,876,265**
Balance at 1 January 2017	11,193,974	-	15,046,823	24,636,684	7,190,340	-	58,067,820
Charge for the period	2,474,675	-	3,296,435	3,829,132	1,637,709	-	11,237,950
Disposal	(14,752)	-	(136,531)	(377,275)	(257,232)	-	(785,790)
Translation difference	(783,585)	-	79,081	635,127	49,371	-	(20,006)
Balance at 31 December 2017	12,870,311	-	18,285,808	28,723,668	8,620,188	-	68,499,976
Carrying amounts:							
Balance at 30 September 2018	**52,080,217**	**9,869,011**	**4,072,674**	**20,608,480**	**8,048,141**	**7,853,886**	**102,532,407**
Balance at 31 December 2017	47,413,009	9,742,073	6,645,910	18,110,915	6,593,784	8,633,948	97,114,640

28 Property and equipment
Bank

In thousands of Naira	Leasehold improvement and buildings	Leasehold Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Cost							
Balance at 1 January 2018	51,303,794	9,742,075	21,053,274	42,145,881	13,106,383	5,276,504	142,627,911
Acquisitions	2,966,471	229,710	780,096	5,305,882	2,813,074	713,957	12,809,189
Disposals	(438,092)	(102,772)	(57,303)	(720,722)	(473,419)	-	(1,792,308)
Balance at 30 September 2018	**53,832,173**	**9,869,013**	**21,776,067**	**46,731,041**	**15,446,037**	**5,990,461**	**153,644,792**
Balance at 1 January 2017	47,904,498	9,742,073	20,614,356	30,775,870	9,694,750	3,216,721	121,948,268
Acquisitions	2,916,884	-	574,556	11,715,864	3,619,689	2,680,626	21,507,619
Disposals	(134,651)	-	(135,822)	(348,908)	(208,597)	-	(827,978)
Transfers	617,063	-	184	3,055	541	(620,843)	-
Balance at 31 December 2017	51,303,794	9,742,073	21,053,274	42,145,881	13,106,383	5,276,504	142,627,909
Depreciation and impairment losses	**Leasehold improvement and buildings**	**Leasehold Land**	**Computer hardware**	**Furniture & fittings**	**Motor vehicles**	**Capital work-in - progress**	**Total**
Balance at 1 January 2018	10,679,838	-	15,445,371	25,370,434	7,455,546	-	58,951,189
Charge for the period	965,042	-	1,901,117	4,361,412	1,574,343	-	8,801,914
Disposal	(346)	-	(55,489)	(713,568)	(442,419)	-	(1,211,818)
Balance at 30 September 2018	**11,644,534**	**-**	**17,290,999**	**29,018,278**	**8,587,470**	**-**	**66,541,285**
Balance at 1 January 2017	9,700,946	-	12,997,503	21,259,586	6,165,759	-	50,123,794
Charge for the period	993,644	-	2,578,761	4,455,043	1,471,732	-	9,499,180
Disposal	(14,752)	-	(130,893)	(344,195)	(181,945)	-	(671,785)
Balance at 31 December 2017	10,679,838	-	15,445,371	25,370,434	7,455,546	-	58,951,189
Carrying amounts:							
Balance at 30 September 2018	**42,187,639**	**9,869,013**	**4,485,068**	**17,712,763**	**6,858,567**	**5,990,461**	**87,103,510**
Balance at 31 December 2017	40,623,955	9,742,073	5,607,903	16,775,447	5,650,837	5,276,504	83,676,722

(a) The amount of contractual commitments for the acquisition of property and equipment as at 30 September 2018 is N673.74Mn (31 Dec 2017: N322.2Mn)
(b) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting period. Any changes are accounted for prospectively as a change in estimate.

29 Intangible assets

Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Total
Cost				
September 2018				
Balance at 1 January 2018	681,007	1,112,943	17,955,681	19,749,631
Acquisitions	-	205,701	3,556,423	3,762,124
Write off	-	-	(617,104)	(617,104)
Translation difference	-	-	-	-
Balance at 30 September 2018	**681,007**	**1,318,644**	**20,895,000**	**22,894,650**
December 2017				
Balance at 1 January 2017	681,007	286,724	14,858,925	15,826,656
Acquisitions	-	881,374	2,573,350	3,454,724
Transfer	-	(55,155)	55,155	-
Write off	-	-	(66,985)	(66,985)
Translation difference	-	-	535,236	535,236
Balance at 31 December 2017	681,007	1,112,943	17,955,681	19,749,631
Amortization and impairment losses				
Balance at 1 January 2018	-	-	11,453,776	11,453,776
Amortization for the period	-	-	2,064,764	2,064,764
Write off	-	-	617,104	617,104
Translation difference	-	-	30,006	30,006
Balance at 30 September 2018	-	-	**14,165,650**	**14,165,650**
Balance at 1 January 2017	-	-	8,887,101	8,887,101
Amortization for the period	-	-	2,407,886	2,407,886
Write off	-	-	(66,985)	(66,985)
Translation difference	-	-	225,774	225,774
Balance at 31 December 2017	-	-	11,453,776	11,453,776
Net Book Value				
Balance at 30 September 2018	**681,007**	**1,318,644**	**6,729,350**	**8,729,001**
Balance at 31 December 2017	681,007	1,112,943	6,501,905	8,295,855

Intangible assets
Bank

In thousands of Naira	WIP	Purchased Software	Total
Cost			
September 2018			
Balance at 1 January 2018	1,112,941	13,973,787	15,086,728
Acquisitions	205,701	3,336,859	3,542,560
Write off	-	(2,197)	(2,197)
Balance at 30 September 2018	**1,318,642**	**17,308,449**	**18,627,091**
December 2017			
Balance at 1 January 2017	231,567	12,167,422	12,398,989
Acquisitions	881,374	1,873,350	2,754,724
Write off	-	(66,985)	(66,985)
Balance at 31 December 2017	1,112,941	13,973,787	15,086,728
Amortization and impairment losses			
Balance at 1 January 2018	-	9,104,823	9,104,823
Amortization for the period	-	1,715,831	1,715,831
Write off	-	(2,197)	(2,197)
Balance at 30 September 2018	**-**	**10,818,457**	**10,818,457**
Balance at 1 January 2017	-	7,225,207	7,225,207
Amortization for the period	-	1,946,601	1,946,601
Write off	-	(66,985)	(66,985)
Balance at 31 December 2017	-	9,104,823	9,104,823
Carrying amounts			
Balance at 30 September 2018	**1,318,642**	**6,489,991**	**7,808,633**
Balance at 31 December 2017	1,112,941	4,868,964	5,981,905

There were no capitalised borrowing costs related to the internal development of software during the period under review, 30 September 2018 (2017: nil). Computer software has a definite useful life of not more than five periods in line with the Bank's accounting policy, while Goodwill has an indefinite useful life and is annually assessed for impairment.

The work in progress relates to the cost of the CR2 Omnichannel Banking solution aimed at providing a unique experience to customers at every touch point and empowering the bank to create, manage and deliver personalized product offerings and services to each customers or customer group across all channels.

Amortization method used is straight line.

29(b) Intangible assets

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

In thousands of Naira	September 2018	December 2017
Access Bank Rwanda	681,007	681,007
	681,007	681,007

The recoverable amount of Goodwill as at 30 June 2018 is greater than its carrying amount and is thus not impaired.

(ii) Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period, while no losses on goodwill were recognized during the period under review 30 June 2018 (31 December 2017: Nil)

The recoverable amount of Goodwill as at 30 June 2018 was greater than its carrying amount and is thus not impaired.
The recoverable amount was determined using a value-in-use computation as N3.5bn

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 during the period are as follows:

	September 2018
Compound annual volume growth (i)	5.44%
Long term growth rate (ii)	4.70%
Discount rate (ii)	19.50%
Revenue Growth	9.60%

(i) Compound annual volume growth rate in the initial four-period 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 19.50% 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.

Long-term term growth rate

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

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

Revenue Growth
Revenue growth were projected based on past growth, actual operating income and the company's 4 period strategic plan. The revenue growth of 9.6% represents the average revenue growth of 4 periods. The revenue growth was used to project the cashflows for the business.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	(481,959)	626,557
Impact of change in growth rate on value-in-use computation	85,169	(79,926)
Impact of change in revenue growth on value-in-use computation	490,918	(490,918)

31 Assets classified as held for sale

During the period, the Bank obtained a property by taking possession of collateral held as security against a loan. The value of the collateral repossessed during the period was N1.57bn (2017: N9.4bn). The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations.
This amount has been included in Note 7 as unallocated segment in accordance with IFRS 8.

Assets held for sale

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Balance at 1 January	9,479,967	140,727	9,479,967	140,727
Additions	2,875,912	9,369,240	2,734,649	9,369,240
Disposals	(23,271)	(30,000)	(23,271)	(30,000)
Balance	**12,332,609**	**9,479,967**	**12,191,346**	**9,479,967**

32 Deposits from financial institutions

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Money market deposits	205,301,544	165,366,714	151,445,535	107,484,428
Trade related obligations to foreign banks	379,205,849	284,830,256	176,698,941	168,656,407
	584,507,394	**450,196,970**	**328,144,474**	**276,140,835**

33 Deposits from customers

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Term deposits	1,368,494,063	1,172,733,890	1,073,238,349	1,035,810,196
Demand deposits	867,555,099	860,560,595	667,620,861	691,144,436
Saving deposits	238,759,180	211,584,590	207,599,518	183,819,081
	2,474,808,340	**2,244,879,075**	**1,948,458,728**	**1,910,773,713**

34 Other liabilities

In thousands of Naira		Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Financial liabilities					
Certified and bank cheques		3,101,208	1,614,507	2,315,146	1,537,858
E-banking payables	(see (a) below)	14,617,905	14,750,651	14,163,777	14,750,651
Collections account balances	(see (b) below)	59,512,637	113,274,691	55,856,365	110,802,951
Due to subsidiaries		-	-	-	347,385
Accruals		1,276,192	841,230	-	841,230
Creditors		12,512,452	14,773,251	9,392,163	3,838,501
Customer deposits for foreign exchange	(see (c) below)	28,446,608	64,067,288	28,446,558	64,067,288
Agency services		62,261	51,446	59,016	51,446
Unclaimed dividend	(see (d) below)	13,072,570	13,888,938	13,072,570	13,888,938
Other financial liabilities		10,515,458	12,524,476	6,680,613	13,837,188
ECL on contingents	(see (e) below)	2,286,625	-	1,826,812	-
		145,403,917	235,786,478	131,813,021	223,963,436
Non-financial liabilities					
Litigation claims provision	(see (f) below)	746,809	766,809	746,809	766,809
Other current non-financial liabilities		7,037,099	17,360,887	5,811,999	13,965,441
Total other liabilities		**153,187,825**	**253,914,174**	**138,371,829**	**238,695,686**

(a) E-banking payables represent settlements due to other banks use of their electronic channels by the Group's customers. The Group's Receivables from other banks is contained in Note 26.

(b) Collections are balances held in trust on behalf of customers for various transactions. These include escrows, collection for remittances, payments, etc.

(c) Customer deposits for foreign exchange represents deposits that customers have made to fulfil foreign currency obligations. The Group's process requires that customers with foreign currency obligations deposit foreign currency to back the transactions. The corresponding balance is in Other deposits with central banks - Cash and balances with banks.

(d) Unclaimed dividend is the balance of dividend declared by the Bank but yet to be claimed by shareholders. The amount relates to the portion that has been transferred to the Bank by the Registrar in accordance with Securities and Exchange Commission guidelines on Return of Unclaimed Dividends (See Note 19) for the corresponding assets with Asset Managers. The amount is payable on demand to shareholders.

(e) Movement in ECL on contingents

	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Opening balance (see note 3.30)	1,450,688	-	1,037,299	-
Additions	835,937	-	789,513	-
Closing balance	**2,286,625**	**-**	**1,826,812**	**-**

(f) Movement in litigation claims provision

	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Opening balance	766,809	613,886	766,809	613,886
(Write back)/additions	(20,000)	152,923	(20,000)	152,923
Closing balance	**746,809**	**766,809**	**746,809**	**766,809**

35 Debt securities issued

In thousands of Naira

	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	258,760,886	231,122,344	258,760,886	231,122,344
Commercial Papers	28,315,834	70,984,362	28,315,834	70,984,362
	287,076,720	**302,106,706**	**287,076,720**	**302,106,706**

Movement in Debt securities issued:

In thousands of Naira	Group September 2018	Bank September 2018
Net debt as at 1 January 2018	302,106,706	302,106,706
Debt securities issued	52,182,712	52,182,712
Repayment of debt securities issued	(85,501,305)	(85,501,305)
Total changes from financing cash flows	268,788,113	268,788,113
The effect of changes in foreign exchange rates	5,950,237	5,960,185
Other changes		
Interest expense	26,012,564	26,002,616
Interest paid	(13,674,195)	(13,674,195)
Balance as at 30 September 2018	**287,076,720**	**287,076,720**

In thousands of Naira	Group December 2017	Bank December 2017
Net debt as at 1 January 2017	316,544,502	243,952,418
Debt securities issued	121,486,981	121,486,981
Repayment of debt securities issued	(151,694,953)	(79,102,869)
Total changes from financing cash flows	286,336,530	286,336,530
The effect of changes in foreign exchange rates	18,173,205	18,173,205
Other changes		
Interest expense	35,947,693	35,947,693
Interest paid	(38,350,722)	(38,350,722)
Balance as at 31 December 2017	**302,106,706**	**302,106,706**

(i) This refers to US$400,000,000 subordinated notes of 9.25% resettable interest issued on 24 December 2014 with a maturity date of 24 December 2021 and US$300,000,000 notes of 10.5% interest issued on 19 October 2016 with a maturity date of 19 October 2021. These represent an amortized cost of N287.08bn.

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

36 Interest bearing borrowings

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
African Development Bank (see note (a))	28,448,271	28,575,578	26,461,890	26,418,938
Netherlands Development Finance Company (see note (b))	35,900,027	989,655	35,900,027	989,655
French Development Finance Company (see note (c))	11,519,984	14,479,796	6,004,918	8,045,056
European Investment Bank (see note (d))	24,039,188	41,880,625	18,617,575	21,842,579
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	4,895,522	-	4,895,522	-
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (f))	11,584,691	17,641,231	11,584,691	17,641,231
Bank of Industry-Intervention Fund for SMEs (see note (g))	2,006,745	2,186,572	2,006,745	2,186,572
Bank of Industry-Power & Airline Intervention Fund (see note (h))	9,690,282	10,975,439	9,690,282	10,975,439
Special Refinancing & Restructuring Intervention fund (SRRIF) see note (i)	7,334,391	6,260,348	7,334,391	6,260,348
Central Bank of Nigeria - Salary Bailout facilities (see note (j))	64,436,967	65,230,347	64,436,967	65,230,347
Central Bank of Nigeria - Excess Crude Account (see note (k))	122,071,271	122,585,415	112,300,181	122,585,415
Real Sector And Support Facility (RSSF) (l)	7,085,297	-	7,085,297	-
Multilateral agencies	229,340,192		229,340,192	
Other loans and borrowings	643,431	812,181	71,766	115,561
	558,996,259	**311,617,187**	**535,730,444**	**282,291,141**

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

(a) The amount of N26,461,889,527 (USD 76,714,471) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in two tranches. The first tranche of USD35 million has matured and was fully paid out in August 2016. The second tranche was disbursed in August 2014 (USD 90m) for a year of 10years, while the third tranche came in June 2016 for (USD 10m) for a period of 9 years. The principal amount is repayable semi-annually starting from February 2017 for both tranches. Interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(b) The amount of N35,900,026,903 (USD 104,076,149) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from 15 December 2012 and disbursed in February 2013 (USD 10m) and March 2018 (USD 100m) for a period of 6.5 years and 5 years respectively. The principal amount is repayable semi-annually from December 2015 and July 2019 respectively while interest is paid semi annually at 3% and 5.5% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(c) The amount of N6,004,917,502 (USD 17,408,586) 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 four tranches; February 2013 (USD 6m) , October 2013 (USD 15m) , October 2013 (USD 9m) and November 2014 (USD 30m) for a period of 6.5 years for the first three tranches and 5 years for the fourth tranche. The principal amount is repayable semi-annually from December 2014 with the fourth tranche repayable from January 2016 while interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(d) The amount of N18,617,575,341 (USD 53,973,373) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m) , June 2014 (USD 14.7m) , September 2015 (USD 27.9m) and March 2016 (USD 27.1m) for a period of 6 years each for the first three and year of 8 years each for the last two. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6% and 2.6% respectively above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(e) The amount of N4,895,522,022 (USD 14,192,387) represents the outstanding balance on the on-lending facility of USD 15mn granted to the Bank by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) in December 2017 (USD 15m) for a period of 7 and a half years. The principal amount will be repayable semi-annually from May 2019 while interest is paid semi annually at 7.69% above 6months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(f) The amount of N11,584,691,270 represents the outstanding balance on 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 however, a management fee of 1% deductible at source is paid by the Bank under the on-lending agreement. The Bank did not provide security for this facility. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(g) The amount of N2,006,745,068 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 facility has a tenor of 10 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 in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(h) The amount of N9,690,281,659 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 13.5 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(i) The amount of N7,334,391,150 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(j) The amount of N64,436,967,268 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(k) The amount of N112,300,181 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(l) The amount of N7,085,297,142 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) established by CBN supporting Reddington Multi-specialist Hospital and Dangote Oil Refining Company Limited. The facility is for a maximum period of 10 yearst inclusive of 24 months moratorium for Dangote and a maximum period of 7 years inclusive of 12 months moratorium for Reddington at a 3% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 30 September 2018.

(m) Movement in interest bearing loans and borrowings:

In thousands of Naira	**Group September 2018**	**Bank September 2018**
Balance as at 1 January 2018	311,617,187	282,291,141
Proceeds from interest bearing borrowings	283,378,387	278,198,292
Repayment of interest bearing borrowings	(42,683,239)	(30,076,403)
Total changes from financing cash flows	552,312,335	530,413,029
The effect of changes in foreign exchange rates	3,830,857	1,757,595
Other changes		
Interest expense	8,152,627	7,349,080
Interest paid	(5,299,560)	(3,789,260)
Balance as at period end	**558,996,259**	**535,730,444**

	Group December 2017	**Bank December 2017**
Balance as at 1 January 2017	299,543,707	372,179,785
Proceeds from interest bearing borrowings	43,577,454	13,337,947
Repayment of interest bearing borrowings	(34,371,397)	(99,011,336)
Total changes from financing cash flows	308,749,764	286,506,396
The effect of changes in foreign exchange rates	4,664,912	4,319,234
Other changes		
Interest expense	12,373,830	11,070,759
Interest paid	(14,171,319)	(19,605,250)
Balance as at 31 December 2017	**311,617,187**	**282,291,141**

37 Retirement benefit obligation

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Recognised liability for defined benefit obligations (see note (a) below)	3,068,635	2,481,916	3,068,635	2,481,916
Liability for defined contribution obligations	17,375	13,358	-	-
	3,086,010	**2,495,274**	**3,068,635**	**2,481,916**

(a) **Defined benefit obligations**

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

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Post employment benefit plan (see note (i) below)	3,068,635	2,481,916	3,068,635	2,481,916
Recognised liability	**3,068,635**	**2,481,916**	**3,068,635**	**2,481,916**

(i) **Post employment benefit plan**

The Bank operates a non-contributory, unfunded lump sum defined benefit post employment benefit plan for top executive management of the Bank from General Manager and above based on the number of periods 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 Post employment benefit plan as the Bank pays for all obligations from its current period profit as such obligations fall due. Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade.

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

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Deficit on defined benefit obligations at 1 January	2,481,916	3,064,597	2,481,916	3,064,597
Charge for the period:				
-Interest costs	479,133	495,674	479,133	495,674
-Current service cost	107,587	257,384	107,587	257,384
-Benefits paid	-	(707,744)		(707,744)
Net actuarial gain/(loss) for the period remeasured in OCI:				
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	-	(602,798)		(602,798)
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	-	(25,197)	-	(25,197)
Balance, end of period	**3,068,635**	**2,481,916**	**3,068,635**	**2,481,916**
Expense recognised in income statement:				
Current service cost	107,587	257,384	107,587	257,384
Interest on obligation	479,133	495,674	479,133	495,674
Total expense recognised in profit and loss (see Note 14)	**586,719**	**753,058**	**586,719**	**753,058**

The weighted average duration of the defined benefit obligation is 8years. 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: N314.5m.

The sensitivities below relates to Group and Bank.

September 2018	**Impact on defined benefit obligation**		
In thousands of Naira	**Decrease in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.6%	2,621,835	446,800
Effect of changes in assumption to the salary growth	Decrease in liability by 4.9%	2,361,130	707,505
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.2%	2,475,795	592,840

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 2017.

	September 2018	December 2017
Discount rate	14.70%	14.70%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 periods	60 periods
Retirement rate: 50 – 59 (average rate)	3.40%	3.40%
Withdrawal rate: 16 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 55 (average rate)	3.75%	3.75%

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 14.70% as at 30 September 2018. For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

38 Capital and reserves

A Share capital

In thousands of Naira	Bank September 2018	Bank December 2017
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each	19,000,000	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
	20,000,000	20,000,000

In thousands of Naira	Bank September 2018	Bank December 2017
(b) Issued and fully paid-up :		
28,927,971,631 Ordinary shares of 50k each	14,463,986	14,463,986

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

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

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

In thousands of Naira	Bank September 2018	Bank December 2017
Balance, beginning of the period	14,463,986	14,463,986
Balance, end of the period	14,463,986	14,463,986

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

In thousands of units	Group September 2018	Group December 2017
Balance, beginning of the period	28,927,972	28,927,972
Balance, end of the period	28,927,972	28,927,972

B Share premium

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

In thousands of Naira	Group September 2018	Group December 2017
Balance, beginning of the period	197,974,816	197,974,816
Balance, end of the period	197,974,816	197,974,816

C Retained earnings

	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Retained earnings	143,354,152	117,701,679	130,169,308	120,218,603

D Other components of equity

	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Other regulatory reserves (see i(a) below)	77,076,912	70,562,156	71,716,342	60,986,896
Share Scheme reserve	1,747,829	2,031,978	1,747,830	2,031,978
Treasury Shares	(4,047,282)	(4,028,910)	-	-
Capital Reserve	3,489,080	3,489,080	3,489,081	3,489,081
Fair value reserve	(8,277,827)	36,111,322	(9,799,063)	35,267,471
Foreign currency translation reserve	26,813,500	26,813,500	-	-
Regulatory risk reserve	11,881,607	43,420,287	652,000	35,058,266
	108,683,819	**178,399,413**	**67,806,191**	**136,833,692**

(i) Other Reserves

Other regulatory reserves

Statutory reserves

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

SMEEIS Reserves

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

i(a)

	Statutory reserves		SMEEIS Reserves		Total	
	September 2018	December 2017	September 2018	December 2017	September 2018	December 2017
Group						
In thousand of Naira						
Opening	69,735,588	61,788,644	826,568	826,568	70,562,156	62,615,212
Transfers during the period	6,514,756	7,946,944	-	-	6,514,756	7,946,944
Closing	76,250,344	69,735,588	826,568	826,568	77,076,912	70,562,156
Bank						
In thousand of Naira						
Opening	60,160,328	52,174,504	826,568	826,568	60,986,896	53,001,072
Transfers during the period	10,729,446	7,985,824	-	-	10,729,446	7,985,824
Closing	70,889,774	60,160,328	826,568	826,568	71,716,342	60,986,896

(ii) Share scheme reserve

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

(iii) Treasury shares

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

(iv) Capital reserve

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

(v) Fair value reserve

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

(vi) Foreign currency translation reserve

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

(vii) Regulatory risk reserve

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

(viii) Retained earnings

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

D Non-controlling interest

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

In thousands of Naira	Group September 2018	Group December 2017
Access Bank, Gambia	734,909	310,883
Access Bank, Sierra Leone	53,324	43,387
Access Bank Zambia	3,643,380	2,609,806
Access Bank, Rwanda	390,570	933,465
Access Bank, Congo	907	887
Access Bank, Ghana	3,383,278	3,009,086
	8,206,368	**6,907,514**

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

In thousands of Naira	Group September 2018	Group December 2017
Access Bank, Gambia	19,807	21,714
Access Bank, Sierra Leone	649	4,693
Access Bank Zambia	213,925	(221,560)
Access Bank, Rwanda	94,034	26,658
Access Bank, Congo	166	151
Access Bank, Ghana	618,237	181,434
	946,819	**13,090**

	Group September 2018	Group December 2017
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12%
Access Bank, Sierra Leone	3%	3%
Access Bank Zambia	30%	30%
Access Bank, Rwanda	25%	25%
Access Bank Congo	0%	0%
Access Bank, Ghana	7%	9%

Transactions with non-controlling interests

During the period, the Access Bank Plc acquired additional shares in Access Bank UK and Access Bank Ghana. This resulted in changes in its ownership interests in the subsidiaries, but the transactions did not result in a loss of control. The Group adjusted the carrying amounts of the controlling and non-controlling interests to reflect the changes in the relative interests in the subsidiaries. The impact was recognised directly in equity.

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. Provision made is disclosed in other liabilities (Note 34).

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.

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

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

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

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

a. These comprise:

In thousands of Naira	**Group September 2018**	**Group December 2017**	**Bank September 2018**	**Bank December 2017**
Transaction related bonds and guarantees	284,374,803	541,895,104	343,895,442	306,494,255
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	303,624,948	293,267,039	226,547,989	200,918,665
	587,999,751	**835,162,143**	**570,443,431**	**507,412,920**

The Bank granted clean line facilities for letters of credit during the period to guarantee the performance of customers to third parties.
Contractual capital commitments undertaken by the Bank during the period amounted to N673.74Mn (31 Dec 2017: N322.2Mn)

40 Cash and cash equivalents

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

In thousands of Naira	Group September 2018	Group December 2017	Bank September 2018	Bank December 2017
Cash on hand and balances with banks	363,042,284	184,867,177	149,478,251	144,763,718
Unrestricted balances with central banks	48,089,263	28,837,649	29,227,653	7,976,547
Money market placements	197,906,904	261,805,783	-	28,157,562
Treasury bills with original maturity of less than 90days	172,778,972	-	172,778,972	-
	781,817,424	**475,510,609**	**351,484,876**	**180,897,827**

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

	Debt securities issued		Interest bearing borrowings	
	Group September 2018	Bank September 2018	Group September 2018	Bank September 2018
Net debt	302,106,706	302,106,706	311,617,187	282,291,141
Proceeds from interest bearing borrowings	-	-	283,378,387	278,198,292
Repayment of interest bearing borrowings	-	-	(42,683,239)	(30,076,403)
Debt securities issued	52,182,712	52,182,712	-	-
Repayment of debt securities issued	(85,501,305)	(85,501,305)	-	-
Total changes from financing cash flows	268,788,113	268,788,113	552,312,335	530,413,029
The effect of changes in foreign exchange rates	5,950,237	5,960,185	3,830,857	1,757,595
Interest expense	26,012,564	26,002,616	8,152,627	7,349,080
Interest paid	(13,674,195)	(13,674,195)	(5,299,560)	(3,789,260)
Balance	**287,076,720**	**287,076,719**	**558,996,259**	**535,730,444**

	Debt securities issued		Interest bearing borrowings	
	Group September 2018	Bank December 2017	Group December 2017	Bank December 2017
Net debt	316,544,502	243,952,418	299,543,707	372,179,785
Proceeds from interest bearing borrowings	-	-	43,577,454	13,337,947
Repayment of interest bearing borrowings	-	-	(34,371,397)	(99,011,336)
Debt securities issued	121,486,981	121,486,981	-	-
Repayment of debt securities issued	(151,694,953)	(79,102,869)	-	-
Total changes from financing cash flows	286,336,530	286,336,530	308,749,764	286,506,396
The effect of changes in foreign exchange rates	18,173,205	18,173,205	4,664,912	4,319,234
Other changes				
Interest expense	35,947,693	35,947,693	12,373,830	11,070,759
Interest paid	(38,350,722)	(38,350,722)	(14,171,319)	(19,605,250)
Balance	**302,106,706**	**302,106,706**	**311,617,188**	**282,291,140**

44 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
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."

45 Non-audit services

During the period, the Bank's auditor, PricewaterHouseCoopers, was awarded the contract below;

	Service	Description	Sum N'000
1	NDIC Certification	Certification of total deposit liabilities outstanding in the books of the bank as at 31 December 2017	2,500

In the Bank's opinion, the provision of this service to the bank did not impair the independence and objectivity of the external auditor.

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-period Financial Summary

Group	September 2018	December 2017	December 2016	December 2015	December 2014
	9 months	12 months	12 months	12 months	12 months
In thousands of Naira	N'000	N'000	N'000	N'000	N'000
Assets					
Investment under management	21,320,190	20,257,131	14,871,247	10,403,608	-
Non pledged trading assets	27,086,349	46,854,061	44,629,579	52,298,422	28,411,644
Pledged assets	283,946,088	447,114,404	314,947,502	203,715,397	87,072,147
Derivative financial instruments	115,056,365	93,419,293	156,042,984	77,905,020	24,866,681
Loans and advances to banks	110,058,238	68,114,076	45,203,002	42,733,910	12,435,659
Investment securities	446,888,591	278,167,757	229,113,772	186,223,126	270,211,388
Other assets	133,357,730	82,753,431	63,255,054	83,014,503	56,310,620
Property and equipment	102,532,407	97,114,640	84,109,052	73,329,927	69,659,707
Intangible assets	8,729,000	8,295,855	6,939,555	6,440,616	5,592,991
Deferred tax assets	1,046,267	740,402	1,264,813	10,845,612	10,881,984
Assets classified as held for sale	12,332,610	9,479,967	140,727	179,843	23,438,484
Total assets	4,555,172,579	4,102,242,820	3,483,865,564	2,591,330,151	2,104,360,540
Liabilities					
Deposits from financial institutions	584,507,394	450,196,970	167,356,583	72,914,421	119,045,423
Derivative financial instruments	7,223,665	5,332,177	30,444,501	3,077,927	1,989,662
Current tax liabilities	4,367,907	7,489,586	5,938,662	7,780,824	8,180,969
Other liabilities	153,187,824	253,914,174	113,571,240	69,355,947	21,689,079
Deferred tax liabilities	9,235,321	8,764,262	3,699,050	266,644	59,038
Debt securities issued	287,076,720	302,106,706	316,544,502	149,853,640	138,481,179
Interest-bearing borrowings	558,996,259	311,617,187	299,543,707	231,467,161	79,816,309
Retirement benefit obligations	3,086,010	2,495,274	3,075,453	5,567,800	3,269,100
Total liabilities	1,607,681,098	3,586,795,412	3,029,370,983	2,223,528,684	1,826,949,811
Equity					
Share capital and share premium	212,438,802	212,438,802	212,438,802	212,438,802	172,477,671
Retained earnings	143,354,152	117,701,679	93,614,030	51,730,369	34,139,453
Other components of equity	108,683,819	178,399,413	142,194,720	99,732,330	67,262,761
Non controlling interest	8,206,368	6,907,515	6,247,028	3,899,966	3,530,844
Total equity	472,683,141	515,447,409	454,494,580	367,801,467	277,410,729
Total liabilities and Equity	2,080,364,239	4,102,242,820	3,483,865,564	2,591,330,151	2,104,360,540
Gross earnings	375,230,358	459,075,779	381,320,783	337,404,230	245,383,536
Profit before income tax	70,268,337	80,072,480	90,339,456	75,038,117	52,022,290
Profit from continuing operations	54,947,906	61,990,852	71,439,347	65,868,773	43,063,479
Discontinued operations	-	-	-	-	(87,267)
Profit for the period	54,947,906	61,990,852	71,439,347	65,868,773	42,976,212
Non controlling interest	1,298,853	13,090	322,322	536,233	560,883
Profit attributable to equity holders	53,649,053	61,977,762	71,117,024	65,332,540	42,415,329
Dividend paid	18,803,182	18,803,180	15,910,384	15,241,014	13,729,777
Earning per share - Basic	218	218k	249k	265k	189k
- Adjusted	214	214k	245k	262k	189k
Number of ordinary shares of 50k	28,927,972	28,927,971,631	28,927,971,631	28,927,971,631	22,882,918,908

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-period Financial Summary

	September 2018	December 2017	December 2016	December 2015	December 2014
Bank					
	6 months	**12 months**	**12 months**	**12 months**	**12 months**
In thousands of Naira	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets					
Investment under management	21,320,190	20,257,131	14,871,247	10,403,608	-
Non pledged trading assets	21,809,735	43,016,990	44,629,579	52,298,422	28,411,644
Pledged assets	283,946,088	440,503,327	314,947,502	200,464,624	85,183,353
Derivative financial instruments	114,809,802	92,390,219	155,772,662	77,852,349	24,831,145
Loans and advances to banks	100,229,513	101,429,001	104,006,574	60,414,721	55,776,837
Investment securities	290,686,099	121,537,303	161,200,642	155,994,798	226,137,983
Other assets	111,562,572	65,189,797	50,594,480	78,623,381	48,246,307
Investment in subsidiary	111,510,867	87,794,631	59,239,252	45,439,246	40,120,572
Property and equipment	87,103,510	83,676,722	71,824,472	65,900,384	64,160,327
Intangible assets	7,808,633	5,981,905	5,173,784	4,977,908	4,436,814
Deferred tax assets	-	-	-	10,180,832	10,128,537
Assets classified as held for sale	12,191,345	9,479,967	140,727	179,843	23,438,484
Total assets	1,162,978,353	3,499,683,979	3,094,960,515	2,411,944,061	1,981,955,730
Liabilities					
Deposits from banks	328,144,474	276,140,835	95,122,188	63,343,785	134,509,662
Derivative financial instruments	7,092,963	5,306,450	30,275,181	2,416,378	1,737,791
Debt securities issued	287,076,720	302,106,706	243,952,418	78,516,655	73,155,391
Current tax liabilities	4,567,437	4,547,920	5,004,160	6,442,311	7,113,226
Other liabilities	138,371,830	238,695,686	107,538,941	64,094,358	16,870,132
Retirement benefit obligations	3,068,635	2,481,916	3,064,597	5,567,800	3,267,364
Interest-bearing borrowings	535,730,444	282,291,141	372,179,785	302,919,987	146,345,767
Deferred tax liabilities	8,361,318	7,848,515	3,101,753	-	-
Total liabilities	1,312,413,822	3,030,192,882	2,673,281,895	2,051,515,157	1,707,799,945
Equity					
Share capital and share premium	212,438,802	212,438,802	212,438,802	212,438,802	172,477,671
Retained earnings	130,169,308	120,218,603	93,329,188	49,459,102	36,499,779
Other components of equity	67,806,190	136,833,692	115,910,630	98,531,000	65,178,336
Total equity	410,414,299	469,491,097	421,678,620	360,428,904	274,155,786
Total liabilities and Equity	1,722,828,122	3,499,683,979	3,094,960,515	2,411,944,061	1,981,955,730
Gross earnings	313,215,399	398,161,575	331,000,972	302,061,975	221,610,769
Profit before income tax	47,582,703	67,043,501	80,579,576	65,177,914	46,142,422
Profit for the period	42,472,320	53,238,822	64,026,135	65,868,773	39,941,126
Dividend paid	18,803,182	18,803,180	18,803,180	13,729,777	13,729,777
Earning per share - Basic	147	184k	237k	174k	114k
- Adjusted	147	184k	237k	174k	114k
Number of ordinary shares of 50k	28,927,972	28,927,971,631	28,927,971,631	22,882,918,908	22,882,918,908