

**WEMA BANK PLC**

**Unaudited IFRS Results  
for the year ended 31 March 2017**

## Contents

	Page
Statements of financial position	1
Statements of comprehensive income	2
Statements of changes in equity	3
Statement of cash flows	4
Notes to the financial statements	5

## Statement of Financial Position

As at 31 March 2017

	Notes	Group 31 March 2017	Bank 31 March 2017	Group 31 December 2016	Bank 31 December 2016
<i>In thousands of Nigerian Naira</i>					
<b>ASSETS</b>					
Cash and cash equivalents	15,a	34,501,961	34,486,439	27,623,945	27,608,708
Restricted Deposit with CBN	15,b	45,661,682	45,661,682	48,161,682	48,161,682
Pledged assets	16	34,904,238	34,904,238	16,419,725	16,419,725
Investment securities:					
Available for sale	17,a	152,083	153,083	3,158,208	3,159,208
Held for trading	17,b	4,927,565	4,927,565	238,036	238,036
Held to maturity	17,c	29,101,532	26,123,384	58,679,662	55,871,354
Loans and advances to customers	18	222,174,339	222,174,339	227,008,550	227,008,550
Investment property	21	359,805	359,805	361,798	361,798
Property and equipment	22	16,347,455	16,347,455	16,614,465	16,614,465
Intangible assets	23	370,848	370,848	400,017	400,017
Other assets	25	4,153,052	4,153,052	3,207,791	3,207,791
Deferred tax assets	24	21,769,702	21,769,702	22,169,702	22,169,702
<b>TOTAL ASSETS</b>		<b>414,424,261</b>	<b>411,431,592</b>	<b>424,043,580</b>	<b>421,221,036</b>
<b>LIABILITIES</b>					
Deposits from banks	26	48,682,971	48,682,971	37,433,906	37,433,906.00
Deposits from customers	27	265,414,010	265,439,621	283,302,604	283,328,215.00
Current tax liabilities	28	145,167	145,167	349,245	349,245.00
Other liabilities	29	25,811,149	25,742,889	22,392,756	22,324,495.20
Other borrowed funds	30	25,178,058	22,197,103	32,093,404	29,282,289.20
Obligations under finance lease	31	-	-	932	932.00
<b>TOTAL LIABILITIES</b>		<b>365,231,355</b>	<b>362,207,751</b>	<b>375,572,847</b>	<b>372,719,082</b>
<b>EQUITY</b>					
Share capital	32	19,287,233	19,287,233	19,287,233	19,287,233
Share premium	32	48,870,107	48,870,107	48,870,107	48,870,107
Regulatory risk reserve		8,402,592	8,402,592	8,402,592	8,402,592
Retained earnings	32	(38,436,594)	(38,405,659)	(39,158,766)	(39,127,546)
Other reserves		11,069,568	11,069,568	11,069,568	11,069,568
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>		<b>49,192,906</b>	<b>49,223,841</b>	<b>48,470,734</b>	<b>48,501,954</b>
<b>TOTAL EQUITY</b>		<b>49,192,906</b>	<b>49,223,841</b>	<b>48,470,734</b>	<b>48,501,954</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>414,424,261</b>	<b>411,431,592</b>	<b>424,043,581</b>	<b>421,221,036</b>

The notes on pages .. to ... are an integral part of these financial statements

The financial statements were authorised for issue by the directors on

**Adeyinka Asekun**

FRC No: \_\_\_\_\_ Chairman

**Segun Oloketuyi**

FRC No: \_\_\_\_\_ Managing Director

\_\_\_\_\_  
Tunde Mabawonku  
Chief Financial Officer

For the year ended 31 March 2017

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	<b>Group 31 March 2017</b>	<b>Bank 31 March 2017</b>	<b>Group 31 December 2016</b>	<b>Bank 31 December 2016</b>	<b>Bank 31 March 2016</b>
Interest income	7	12,446,291	12,331,850	44,560,461	44,446,020	9,657,499
Interest expense	7	(8,470,095)	(8,355,939)	(25,910,283)	(25,765,627)	(5,631,857)
<b>Net interest income</b>		<b>3,976,196</b>	<b>3,975,911</b>	<b>18,650,178</b>	<b>18,680,393</b>	<b>4,025,642</b>
Net impairment (loss)/write back on financial assets	11	(11,637)	(11,637)	(412,401)	(412,401)	34,793
<b>Net interest income after impairment charge for credit losses</b>		<b>3,964,559</b>	<b>3,964,274</b>	<b>18,237,777</b>	<b>18,267,992</b>	<b>4,060,435</b>
Net fee and commission income	8	2,192,998	2,192,998	6,190,739	6,190,739	1,346,873
Net trading income	9	267,882	267,882	2,123,108	2,123,108	110,626
Other income	10	370,482	370,482	1,486,942	1,486,942	126,092
		2,831,362	2,831,362	9,800,789	9,800,789	1,583,591
<b>Operating income</b>		<b>6,795,921</b>	<b>6,795,636</b>	<b>28,038,566</b>	<b>28,068,781</b>	<b>5,644,026</b>
Personnel expenses	12	(2,581,453)	(2,581,453)	(10,352,321)	(10,352,321)	(2,558,743)
Depreciation and amortisation	13,b	(565,568)	(565,568)	(2,308,498)	(2,308,498)	(562,276)
Other operating expenses	13,a	(2,799,336)	(2,799,336)	(12,132,602)	(12,131,597)	(2,017,678)
<b>Profit before tax</b>		<b>849,564</b>	<b>849,279</b>	<b>3,245,145</b>	<b>3,276,365</b>	<b>505,329</b>
Income tax expense	28	(127,392)	(127,392)	(684,565)	(684,565)	(75,799)
<b>Profit for the year</b>		<b>722,172</b>	<b>721,887</b>	<b>2,560,580</b>	<b>2,591,800</b>	<b>429,530</b>
<b>Other comprehensive income, net of income tax</b>						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit obligation		-	-	(165,850)	(165,850)	-
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Fair value (loss)/ gain on available-for-sale investments		-	-	11,894	11,894	(24,220)
<b>Other comprehensive income for the year, net of income tax</b>		<b>-</b>	<b>-</b>	<b>(153,956)</b>	<b>(153,956)</b>	<b>(24,220)</b>
<b>Total comprehensive income for the year</b>		<b>722,172</b>	<b>721,887</b>	<b>2,406,624</b>	<b>2,437,844</b>	<b>405,310</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank		722,172	721,887	2,560,580	2,591,800	429,530
Total comprehensive income for the year		722,172	721,887	2,406,624	2,437,844	405,310
<b>Profit per share-basic</b>	14	7.5	7.5	6.6	6.7	4.0
<b>Profit per share-diluted</b>	14	7.5	7.5	6.6	6.7	4.0

The notes on pages .. to .... are an integral part of these financial statements

## Statement of Changes in Equity

For the year ended 31 March 2017

### Company

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
<b>2016</b>								
<b>Balance at 1 January 2016</b>	19,287,233	48,870,107	3,644,042	9,558,428	526,908	194,798	(36,017,406)	46,064,110
<b>Total comprehensive income:</b>								
Profit or loss	-	-	-	-	-	-	2,591,800	<b>2,591,800</b>
<b>Other comprehensive income</b>								
Remeasurement of defined benefit obligation	-	-	-	-	-	-	(165,850)	<b>(165,850)</b>
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	11,894	-	<b>11,894</b>
<b>Total other comprehensive income</b>	-	-	-	-	-	11,894	(165,850)	<b>(153,956)</b>
<b>Total comprehensive income for the period</b>	<b>19,287,233</b>	<b>48,870,107</b>	<b>3,644,042</b>	<b>9,558,428</b>	<b>526,908</b>	<b>206,692</b>	<b>(33,591,456)</b>	<b>48,501,954</b>
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Regulatory risk reserve	-	-	4,758,550	-	-	-	(4,758,550)	-
Transfer to Statutory reserve	-	-	-	777,540	-	-	(777,540)	-
Total contribution and distributions to owners	-	-	4,758,550	777,540	-	-	(5,536,090)	-
<b>Balance at 31 December 2016</b>	<b>19,287,233</b>	<b>48,870,107</b>	<b>8,402,592</b>	<b>10,335,968</b>	<b>526,908</b>	<b>206,692</b>	<b>(39,127,546)</b>	<b>48,501,954</b>
<b>2017</b>								
<b>Balance at 1 January 2017</b>	19,287,233	48,870,107	8,402,592	10,335,968	526,908	206,692	(39,127,546)	48,501,954
<b>Total comprehensive income:</b>								
Profit or loss	-	-	-	-	-	-	721,887	<b>721,887</b>
<b>Other comprehensive income</b>								
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>19,287,233</b>	<b>48,870,107</b>	<b>8,402,592</b>	<b>10,335,968</b>	<b>526,908</b>	<b>206,692</b>	<b>(38,405,659)</b>	<b>49,223,841</b>
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Regulatory risk reserve	-	-	-	-	-	-	-	-
Transfer to Statutory reserve	-	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>19,287,233</b>	<b>48,870,107</b>	<b>8,402,592</b>	<b>10,335,968</b>	<b>526,908</b>	<b>206,692</b>	<b>(38,405,659)</b>	<b>49,223,841</b>

## Statement of Changes in Equity

For the year ended 31 March 2017

### Group

In thousands of Nigerian naira (000s)

	Share Capital	Share premium	Regulatory risk reserve	Statutory reserve	SMEIES reserve	Fair value reserves	Retained earnings	Total equity
<b>2017</b>								
<b>Balance at 1 January 2017</b>	19,287,233	48,870,107	8,402,592	10,335,968	526,908	206,692	(39,158,766)	48,470,734
<b>Total comprehensive income:</b>								
Profit or loss	-	-	-	-	-	-	722,172	<b>722,172</b>
<b>Other comprehensive income</b>								
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-
Fair value reserve (available-for-sale) financial assets	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Regulatory risk reserve	-	-	-	-	-	-	-	-
Transfer to Statutory reserve	-	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>19,287,233</b>	<b>48,870,107</b>	<b>8,402,592</b>	<b>10,335,968</b>	<b>526,908</b>	<b>206,692</b>	<b>(38,436,594)</b>	<b>49,192,906</b>

**Statement of Cash Flow**  
**For the year ended 31 March 2017**

<i>In thousands of Nigerian Naira</i>	<b>Notes</b>	<b>Group March 2017</b>	<b>Bank March 2017</b>	<b>Group December 2016</b>	<b>Bank December 2016</b>
<b>Cash flows from operating activities</b>					
Profit/Loss for the year		722,172	721,887	2,560,580	2,591,800
Adjustments for:					
Taxation expense	28	127,392	127,392	684,565	684,565
Depreciation and amortization		565,568	565,568	2,308,498	2,308,498
Adjustment for transfer out of PPE now expensed		-	-	5,459	5,459
Adjustment amortisation write back					
Gain on disposal of investment properties					
Loss/Gain on disposal of property and equipment	10	(968)	(968)	(4,029)	(4,029)
Benefit in Kind		-	-	20,317	20,317
Specific provision on cash	15,a	-	-	(9,407)	(9,407)
Net interest income		(3,976,196)	(3,975,911)	(18,650,178)	(18,680,393)
Dividend received from equity investment		(112,500)	(112,500)	(27,448)	(27,448)
Impairment loss on financial assets		16,197	16,197	590,782	590,782
		(2,658,336)	(2,658,336)	(12,520,861)	(12,519,856)
Change in pledged assets		(18,484,513)	(18,484,513)	36,217	36,217
Change in loans and advances to customers		4,818,014	4,818,014	(41,818,059)	(41,818,059)
Change in other assets		(545,261)	(545,261)	819,440	819,440
Change in deposits from banks	26	11,249,065	11,249,065	37,433,906	37,433,906
Changes in interest payable on bank takings		-	-	-	-
Change in restricted deposit with CBN		2,500,000	2,500,000	5,224,387	5,224,387
Change in finance lease obligations					
Change in deposits from customers		(17,914,205)	(17,888,594)	(1,675,232)	(1,649,621)
Change in other liabilities		3,439,266	3,417,462	9,320,681	9,252,421
		(17,595,970)	(17,592,163)	(3,179,521)	(3,221,166)
Income tax paid	28	(331,470)	(331,470)	(318,014)	(318,014)
Interest received		12,446,291	12,331,850	44,560,461	44,446,020
Vat paid		-	-	(121,600)	(121,600)
Interest paid		(8,470,095)	(8,355,939)	(25,037,469)	(24,892,813)
<b>Net cash from operating activities</b>		(13,951,244)	(13,947,722)	15,903,857	15,892,428
<b>Cash flows from investing activities</b>					
Net disposal of investment securities-HTM		26,769,822	29,747,970	(29,891,014)	(27,082,706)
Acquisition of investment securities-AFS		3,007,125	3,006,125	4,483,817	4,482,817
Change in trading assets		(4,689,529)	(4,689,529)	4,450,456	4,450,456
Adjustment to fair value loss/gain					
Dividend received from equity investment		112,500	112,500	27,448	27,448
Acquisition of property and equipment	22	(246,872)	(246,872)	(2,850,272)	(2,850,272)
Proceeds from sale of associate		-	-	-	-
Proceeds from the sale of property and equipment		18,088	18,088	31,031	31,031
Proceeds from the sale of investment property		-	-	24,099	24,099
Acquisition of intangible assets		(37,642)	(37,642)	(79,168)	(79,168)
<b>Net cash used in investing activities</b>		24,933,492	27,910,639	(23,803,604)	(20,996,296)
<b>Cash flows from financing activities</b>					
Change in other borrowed funds		(4,104,231)	(7,085,186)	(20,196,513)	(23,007,628)
Proceeds from Issue of Shares		-	-	-	-
Share Issue Expenses		-	-	-	-
Interest paid on CBN financial accommodation loan	7	-	-	(872,814)	(872,814)
<b>Net cash from financing activities</b>		(4,104,231)	(7,085,186)	(21,069,327)	(23,880,442)
<b>Net increase in cash and cash equivalents</b>		6,878,017	6,877,732	(28,969,073)	(28,984,310)
Cash and cash equivalents at beginning of period		27,623,944	27,608,708	56,593,017	56,593,017
<b>Cash and cash equivalents at end of period</b>	15	34,501,961	34,486,439	27,623,944	27,608,708

The notes on pages 5 to 57 are an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

*For the year ended 31 March 2017*

7

	Group 31 March 2017	Bank 31 March 2017	Group 31 December 2016	Bank 31 December 2016
<b>In thousands of Nigeria Naira</b>				
<b>Interest income</b>				
Cash and cash equivalents	63,561	63,561	609,528	609,528
Loans and advances to banks and customers	10,475,842	10,475,842	38,693,553	38,693,553
Investments securities	1,906,888	1,792,447	5,257,380	5,142,939
<b>Total interest income</b>	<b>12,446,291</b>	<b>12,331,850</b>	<b>44,560,461</b>	<b>44,446,020</b>
<b>Interest expense</b>				
Deposits from banks	2,151,831	2,151,831	3,471,622	3,471,622
Deposits from customers	6,204,108	6,204,108	21,388,702	21,388,702
Other borrowed funds	114,156	-	1,049,959	905,303
<b>Total interest expense</b>	<b>8,470,095</b>	<b>8,355,939</b>	<b>25,910,283</b>	<b>25,765,627</b>
<b>8 Fees and commission income</b>				
<i>In thousands of Nigerian Naira</i>				
Retail banking customer fees & commissions	767,353	767,353	2,730,300	2,730,300
Corporate banking customer fees & commissions	264,171	264,171	1,721,001	1,721,001
Other fees and charges	1,161,474	1,161,474	1,739,438	1,739,438
<b>Total fee and commission income</b>	<b>2,192,998</b>	<b>2,192,998</b>	<b>6,190,739</b>	<b>6,190,739</b>
<b>9 Net trading income</b>				
<i>In thousands of Nigerian Naira</i>				
Fixed income securities	2,362	2,362	-	-
Treasury bills	137,645	137,645	451,588	451,588
Foreign exchange trading	127,875	127,875	1,671,520	1,671,520
<b>Total</b>	<b>267,882</b>	<b>267,882</b>	<b>2,123,108</b>	<b>2,123,108</b>
<b>10 Other income</b>				
<i>In thousands of Nigerian Naira</i>				
Dividends on available-for-sale equity securities	112,500	112,500	27,448	27,448
Gains on disposal of property and equipment	968	968	4,029	4,029
Rental income	7,054	7,054	45,474	45,474
Fair value loss writeback	-	-	-	-
Insurance claim received	25,628	25,628	56,770	56,770
Income on contingents	80,954	80,954	368,107	368,107
Income on deposit accounts	48,328	48,328	202,675	202,675
Funds Transfer	7,260	7,260	28,816	28,816
Swift transactions	6,941	6,941	24,855	24,855
FX Revaluation	-	-	611,243	611,243
Others	80,849	80,849	117,524	117,524
<b>Total</b>	<b>370,482</b>	<b>370,482</b>	<b>1,486,941</b>	<b>1,486,941</b>

- (i) The Bank has a number of investment properties from which rental income is derived. During the year ended 31 March 2017, the Bank spent N1.86million (31 Dec 2016: N7.66 million) to generate rental income as disclosed above. Refer to note 21 for details of the investment properties.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

11

	Group 31 March 2017	Bank 31 March 2017	Group 31 December 2016	Bank 31 December 2016
<i>In thousands of Nigerian Naira</i>				
Impairment losses on loans and advances				
-specific impairment	-	-	1,082,399	1,082,399
-collective impairment	16,197	16,197	13,684	13,684
- Recoveries on loans	(4,560)	(4,560)	(178,382)	(178,382)
-Write offs	-	-	(689,985)	(689,985)
Impairment loss on other assets (Note 25)	-	-	184,684	184,684
	<u>11,637</u>	<u>11,637</u>	<u>412,400</u>	<u>412,400</u>

12

**Personnel expenses**

Wages and salaries	1,847,170	1,847,170	7,528,860	7,528,860
Contributions to defined contribution plans	263,887	263,887	571,937	571,937
Gratuity Expenses	-	-	451,433	451,433
Other staff costs	470,396	470,396	1,800,091	1,800,091
	<u>2,581,453</u>	<u>2,581,453</u>	<u>10,352,321</u>	<u>10,352,321</u>

13a

**Other operating expenses**

Advertising and marketing	168,184	168,184	428,490	428,490
AMCON Levy	360,000	360,000	1,984,739	1,984,739
Auditors remuneration	-	-	120,000	120,000
Business Expenses	45,921	45,921	158,945	158,945
Cash movement expenses	109,192	109,192	443,631	443,631
Diesel Expenses	182,286	182,286	507,569	507,569
Directors Expenses	-	-	15,923	15,923
Directors fees	12,386	12,386	65,900	65,900
Donations	6,370	6,370	33,530	33,530
Electricity	45,902	45,902	159,430	159,430
General administrative expenses	225,467	225,467	516,719	516,719
Insurance	48,171	48,171	287,433	287,433
Loss on disposal of property and equipment	-	-	-	-
NDIC Premium	240,000	240,000	1,150,009	1,150,009
Other Accruals	-	-	-	-
Other premises and equipment costs	104,950	104,950	457,939	457,939
PAYE/Withholding expenses	-	-	73,143	73,143
Printing and stationery	121,243	121,243	304,289	304,289
Professional fees	159,571	159,571	873,050	873,050
Repairs and maintenance	400,458	400,458	1,685,078	1,685,078
Security expenses	153,565	153,565	595,024	595,024
Service charge	122,605	122,605	628,545	628,545
SMS Expenses & Others	-	-	29,896	29,896
Statutory expenses	-	-	68,017	67,012
Technology and alternative channels	212,957	212,957	1,068,557	1,068,557
Transport & Communications	80,108	80,108	299,892	299,892
VAT	-	-	97,833	97,833
Wema Anniversary Expense	-	-	1,523	1,523
Wema Homes & Wema Asset cessation taxes	-	-	77,498	77,498
	<u>2,799,336</u>	<u>2,799,336</u>	<u>12,132,602</u>	<u>12,131,597</u>

NOTES TO THE FINANCIAL STATEMENTS

13b	31 March 2017	31 March 2017	31 December 2016	31 December 2016
<b>In thousand of Nigeria Naira</b>				
<b>Depreciation and amortisation</b>				
Property, plant and equipment	563,575	563,575	1,986,702	1,986,702
Investment property	1,993	1,993	8,554	8,554
Intangible assets	-	-	313,242	313,242
<b>14</b>	<b>565,568</b>	<b>565,568</b>	<b>2,308,498</b>	<b>2,308,498</b>

**Earnings per share**

**Basic and diluted earnings per share**

Basic earnings or loss per share is calculated by dividing the profit or loss for the year attributable to shareholders by the weighted average

The calculation of basic earnings per share as at 31 March 2017 was based on the profit attributable to ordinary shareholders of N721,887,000

	31 March 2017	31 March 2017	31 December 2016	31 December 2016
<i>In thousands</i>				
<b>Weighted average number of ordinary shares - basic</b>				
Weighted average number of shares at beginning '000	38,574,466	38,574,466	38,574,466	38,574,466
<b>Weighted average number of ordinary shares - diluted</b>				
Weighted average number of shares'000	38,574,466	38,574,466	38,574,466	38,574,466

**Profit attributable to ordinary shareholders -basic & diluted**

	31 March 2017	31 March 2017	31 December 2016	31 December 2016
<i>In thousands of Nigerian Naira</i>				
Profit for the year attributable to equity holders of the Bank N'000	722,172	721,887	2,560,580	2,591,800
Earnings per share -basic	7.49	7.49	6.64	6.72
Earnings per share - diluted	7.49	7.49	6.64	6.72

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2017

**15 Cash and cash equivalents**

	Group 31 March 2017	Bank 31 March 2017	Group 31 December 2016	Bank 31 December 2016
<i>In thousands of Nigerian Naira</i>				
Cash and balances with banks	16,684,189	16,668,667	12,950,646	12,935,409
Unrestricted balances with central bank	16,621,167	16,621,167	9,407,329	9,407,329
Money market placements	1,196,605	1,196,605	5,265,970	5,265,970
	34,501,961	34,486,439	27,623,945	27,608,708
Specific provision	-	-	-	-
	<b>34,501,961</b>	<b>34,486,439</b>	<b>27,623,945</b>	<b>27,608,708</b>

**15b Restricted deposit with CBN**

This represents mandatory cash deposit held with Central Bank of Nigeria as a Regulatory Cash Reserve Requirements (CRR). The CRR rate was harmonised to 22.5% for both private and public sector funds during the year 2016.

Restricted deposits with Central Bank are not available for use in day to day operations.

**16 Pledged assets - Held to maturity**

	Group 31 March 2017	Bank 31 March 2017	Group 31 December 2016	Bank 31 December 2016
<i>In thousands of Nigerian Naira</i>				
Treasury bills	26,152,357	26,152,357	6,511,903	6,511,903
Bonds	8,751,881	8,751,881	9,907,822	9,907,822
	34,904,238	34,904,238	16,419,725	16,419,725

The treasury bills are pledged for clearing activities with First Bank and as collection bank for government taxes and for electronic card transactions with Federal Inland Revenue service (FIRS), Nigerian Interbank Settlement System (NIBSS) and Interswitch Nigeria Limited. The bank cannot trade on these pledged assets during that such assets are committed as pledged.

The Bonds are pledged as collateral for the intervention credit granted to the Bank by the Bank of Industry for the purpose of refinancing existing loans to Small and Medium Scale Enterprises Scheme under secured borrowing with related liability of N4.87 billion (N5.18 billion) as disclosed in note 30.

**17 Investment securities**

	31 March 2017	31 March 2017	31 December 2016	31 December 2016
Investment securities	34,181,180	31,204,032	62,075,906	59,030,562
Current	6,358,713	6,358,713	35,553,455	35,553,455
Non-current	27,822,467	24,845,319	26,522,451	23,476,107
(a) Available-for-sale investment securities comprise:				
Bonds (see (ii) below)	-	-	3,005,125	3,005,125
Treasury bills	-	-	-	-
Equity (see note (v) below)	152,083	153,083	153,083	154,083
Less: specific allowance for impairment (see (i) below)	-	-	-	-
	<b>152,083</b>	<b>153,083</b>	<b>3,158,208</b>	<b>3,159,208</b>
(b) Held for trading investment securities comprise:				
Treasury bills	4,927,565	4,927,565	238,036	238,036
(c) Held to maturity investment securities comprise:				
Treasury bills	1,431,148	1,431,148	32,310,294	32,310,294
FGN Bonds	23,449,181	20,471,033	21,626,779	18,818,471
Other bonds	4,221,203	4,221,203	4,742,589	4,742,589
	<b>29,101,532</b>	<b>26,123,384</b>	<b>58,679,662</b>	<b>55,871,354</b>

**18 Loans and advances to customers at amortised cost**

*In thousands of Nigerian Naira*

Overdrafts	15,359,623	15,359,623	15,359,623	15,359,623
Term Loans	204,621,453	204,621,453	209,091,346	209,091,346
Advances under finance lease	5,390,012	5,390,012	5,390,012	5,390,012
<b>Gross loans and receivables</b>	<b>225,371,088</b>	<b>225,371,088</b>	<b>229,840,981</b>	<b>229,840,981</b>
<i>Less Allowances for Impairment</i>				
Specific Allowances for impairment	(2,136,061)	(2,136,061)	(2,136,250)	(2,136,250)
Collective allowances for impairment	(1,060,688)	(1,060,688)	(696,181)	(696,181)
	(3,196,749)	(3,196,749)	(2,832,431)	(2,832,431)
Net loans and advances to customers	<b>222,174,339</b>	<b>222,174,339</b>	<b>227,008,550</b>	<b>227,008,550</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March, 2017**

**21 (i) Investment properties**

	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 December</b>	<b>31 December</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
Carrying amount at the beginning of year	361,798	361,798	393,547	393,547
Cost	404,058	404,058	442,165	442,165
Accumulated Depreciation	-42,260	-42,260	(48,618)	(48,618)
Additions	-	-	-	-
Disposals	-	-	(23,195)	(23,195)
Cost	-	-	(38,107)	(38,107)
Depreciation	-	-	14,912	14,912
Depreciation charge for the year	(1,993)	(1,993)	(8,554)	(8,554)
Carrying amount at the end of the year	<b>359,805</b>	<b>359,805</b>	<b>361,798</b>	<b>361,798</b>
Cost	404,058	404,058	404,058	404,058
Accumulated depreciation	-44,253	-44,253	(42,260)	(42,260)

- (i) Investment properties represent land and buildings that are not substantially occupied by the bank but held for investment purposes. Investment properties are carried at cost less accumulated depreciation and impairment losses in accordance with the cost model. Investment properties are depreciated over a useful life of 50 years with a nil residual value. Had investment property been carried at fair value, the fair value as at 31 March 2017 would have been N1,382,250,000 (2016:N1,382,250,000).
- (ii) On 19 December, 2013 the Central Bank of Nigeria issued a circular that all deposit money banks should dispose off all the investment properties in their books on or before 30 June, 2014. The directors are aware of this directive and all necessary efforts is been made to ensure compliance. Although the directors are committed to a plan to sell the asset as directed by the Central bank of Nigeria; the active programme to locate a buyer and complete the plan has not been initiated. Hence, the sale is not expected to qualify for recognition as a completed sale within one year from the date of classification.

Consequently, the assets were not classified as Held for sale as the stipulated criteria in IFRS 5 regarding this has not been met.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2017

22 Property and equipment

Group In thousands of Nigerian Naira	Land	Buildings	Furniture & Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
<b>Cost</b>							
Balance at 1 January 2017	1,188,034	14,265,937	5,448,061	1,904,305	5,677,335	587,160	29,070,832
Additions	-	12,388	75,574	76,650	176,711	(94,451)	246,872
Reclassifications	-	-	-	-	-	-	0
Transfer	-	-	-	-	-	-	0
Disposals	-	-	(402)	(74,168)	(179)	-	(74,748)
<b>Balance at 31 March 2017</b>	<b>1,188,034</b>	<b>14,278,325</b>	<b>5,523,233</b>	<b>1,906,788</b>	<b>5,853,867</b>	<b>492,709</b>	<b>29,242,956</b>
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2017	-	3,892,888	3,678,839	1,362,131	3,522,509	-	12,456,367
Charge for the year	-	67,375	140,746	60,259	228,383	-	496,763
Disposals	-	-	(301)	(57,205)	(123)	-	(57,629)
Transfer	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>3,960,263</b>	<b>3,819,284</b>	<b>1,365,185</b>	<b>3,750,769</b>	<b>-</b>	<b>12,895,501</b>
<b>Carrying amounts</b>							
Balance at 1 January 2017	1,188,034	10,373,049	1,769,222	542,175	2,154,826	587,160	16,614,465
<b>Balance at 31 March 2017</b>	<b>1,188,034</b>	<b>10,318,062</b>	<b>1,703,949</b>	<b>541,603</b>	<b>2,103,098</b>	<b>492,709</b>	<b>16,347,455</b>

(a) The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2016: nil)

(b) There were no capitalised borrowing costs related to the acquisition of plant and equipment during the year (31 December 2016: nil)

Bank In thousands of Nigerian Naira	Land	Buildings	Furniture & Equipment	Motor vehicles	Computer Equipment	Work in Progress	Total
<b>Cost</b>							
Balance at 1 January 2017	1,188,034	14,265,937	5,448,061	1,904,305	5,677,335	587,160	29,070,832
Additions	-	12,388	75,574	76,650	176,711	(94,451)	246,872
Reclassifications	-	-	-	-	-	-	0
Transfer	-	-	-	-	-	-	0
Disposals	-	-	(402)	(74,168)	(179)	-	(74,748)
<b>Balance at 31 March 2017</b>	<b>1,188,034</b>	<b>14,278,325</b>	<b>5,523,233</b>	<b>1,906,788</b>	<b>5,853,867</b>	<b>492,709</b>	<b>29,242,956</b>
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2017	-	3,892,888	3,678,839	1,362,131	3,522,509	-	12,456,367
Charge for the year	-	67,375	140,746	60,259	228,383	-	496,763
Disposals	-	-	(301)	(57,205)	(123)	-	(57,629)
Transfer	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>3,960,263</b>	<b>3,819,284</b>	<b>1,365,185</b>	<b>3,750,769</b>	<b>-</b>	<b>12,895,501</b>
<b>Carrying amounts</b>							
Balance at 1 January 2017	1,188,034	10,373,049	1,769,222	542,175	2,154,826	587,160	16,614,465
<b>Balance at 31 March 2017</b>	<b>1,188,034</b>	<b>10,318,062</b>	<b>1,703,949</b>	<b>541,603</b>	<b>2,103,098</b>	<b>492,709</b>	<b>16,347,455</b>

(a) The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2016: nil)

(b) There were no capitalised borrowing costs related to the acquisition of plant and equipment during the year (31 December 2016: nil)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2017

23 Intangible assets

	Group 31 March 2017	Bank 31 March 2017	Group 31 December 2016	Bank 31 December 2016
<i>In thousands of Nigerian Naira</i>				
<b>Cost</b>				
At 1 January	2,920,541	2,920,541	2,695,392	2,695,392
Additions	37,642	37,642	225,149	225,149
Transfer to computer equipment				
Written off				
At 31 March	<u>2,958,183</u>	<u>2,958,183</u>	<u>2,920,541</u>	<u>2,920,541</u>
<b>Amortization and impairment losses</b>				
At 1 January	2,520,524	2,520,524	2,207,282	2,207,282
Amortization for the year	66,812	66,812	313,242	313,242
Transfer to computer equipment				
Write back of excess amortization to income				
Written off				
	<u>2,587,336</u>	<u>2,587,336</u>	<u>2,520,524</u>	<u>2,520,524</u>
<b>Carrying amounts</b>	<u>370,848</u>	<u>370,848</u>	<u>400,017</u>	<u>400,017</u>

- (a) The intangible assets have got finite lives and are amortised over the shorter of 3 years or the contractual licensing period. No impairment losses were recognised against intangible assets.
- (b) The authorised and contracted capital commitments as at the balance sheet date was nil (31 December 2016: nil). There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (31 December 2016: nil).

24 Deferred tax assets and liabilities

- (a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group 31 March 2017	Bank 31 March 2017	Group 31 December 2016	Bank 31 December 2016
<i>In thousands of Nigerian Naira</i>				
At 1 January	22,169,702	22,169,702	22,569,702	22,569,702
Allowances for loan losses	(400,000)	(400,000)	(400,000)	(400,000)
Others	-	-	-	-
At 31 March	<u>21,769,702</u>	<u>21,769,702</u>	<u>22,169,702</u>	<u>22,169,702</u>
	<u>Balance at 31 March 2017</u>	<u>Balance at 31 March 2017</u>	<u>Balance at 31 December 2016</u>	<u>Balance at 31 December 2016</u>

- (b) Movements in temporary differences during the year

31 March 2017

<i>In thousands of Nigerian Naira</i>				
Unused tax losses (i)	22,569,702	22,569,702	22,569,702	22,569,702
Available-for-sale securities	-	-	-	-
Allowances for loan losses	-	-	-	-
Others	-	-	-	-
	<u>22,569,702</u>	<u>22,569,702</u>	<u>22,569,702</u>	<u>22,569,702</u>

Movements in temporary differences during the year

31 December 2016

<i>In thousands of Nigerian Naira</i>				
Unused tax losses (i)	22,569,702	22,569,702	22,569,702	22,569,702
Available-for-sale securities	-	-	-	-
Allowances for loan losses	-	-	-	-
Acquired from business combination	-	-	-	-
Others	-	-	-	-
	<u>22,569,702</u>	<u>22,569,702</u>	<u>22,569,702</u>	<u>22,569,702</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March, 2017

25	Other assets	Group	Bank	Group	Bank
		31 March	31 March	31 December	31 December
		2017	2017	2016	2016
<i>In thousands of Nigerian Naira</i>					
	Accounts receivables	3,171,717	3,171,717	3,248,708	3,248,708
	Receivable from TSA	-	-	-	-
	Prepayments	2,145,134	2,145,134	1,725,500	1,725,500
	Stock	355,385	355,385	347,585	347,585
	Collateralised Placement	52,917	52,917	52,917	52,917
	Clearing Balance	377,090	377,090	434,461	434,461
	Fraud & Burglary	428,674	428,674	448,496	448,496
	Others	1,201,430	1,201,430	644,770	644,770
		<u>7,732,347</u>	<u>7,732,347</u>	<u>6,902,437</u>	<u>6,902,437</u>
	Specific impairment on other assets	(3,579,295)	(3,579,295)	(3,694,646)	(3,694,646)
		<u>4,153,052</u>	<u>4,153,052</u>	<u>3,207,791</u>	<u>3,207,791</u>
	At 1 January	3,694,646	3,694,646	3,637,495	3,637,495
	Allowance made during the year	-	-	184,684	184,684
	Allowance written off	(115,351)	(115,351)	(127,533)	(127,533)
	At 31 December	<u>3,579,295</u>	<u>3,579,295</u>	<u>3,694,646</u>	<u>3,694,646</u>
26	Deposits from banks				
	Money market deposits	48,682,971	48,682,971	37,433,906	37,433,906
	Items in the course of collection	-	-	-	-
		<u>48,682,971</u>	<u>48,682,971</u>	<u>37,433,906</u>	<u>37,433,906</u>
27	Deposits from customers				
	Retail customers:				
	Term deposits	36,530,536	36,530,536	33,234,310	33,234,310
	Current deposits	18,394,993	18,394,993	22,357,225	22,357,225
	Savings	47,720,365	47,720,365	45,399,150	45,399,150
	Corporate customers:				
	Term deposits	95,072,914	95,072,914	108,808,264	108,808,264
	Current deposits	60,052,542	60,078,153	65,494,472	65,520,083
	Others	7,642,660	7,642,660	8,009,183	8,009,183
		<u>265,414,010</u>	<u>265,439,621</u>	<u>283,302,604</u>	<u>283,328,215</u>
27b	The maturity profile of customers' deposit is as follo				
	Under 3 month	170,690,866	170,690,866	170,690,866	170,690,866
	3 – 6months	16,399,786	16,399,786	16,399,786	16,399,786
	6 – 12months	11,000,288	11,000,288	11,000,288	11,000,288
	Over 12months	67,323,070	67,348,681	85,211,664	85,237,275
		<u>265,414,010</u>	<u>265,439,621</u>	<u>283,302,604</u>	<u>283,328,215</u>

At 31 March 2017 N67.3 billion (31 December 2016: N85.2 billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December, 2016

28	Taxation payable <i>In thousands of Nigerian Naira</i>	Group	Bank	Group	Bank
		31 March 2017	31 March 2017	31 December 2016	31 December 2016
	Current Income Tax	127,392	127,392	311,091	311,091
	Education Tax	-	-	5,502	5,502
	NITDA Levy	-	-	32,651	32,651
	Capital Gains Tax	-	-	-	-
	(Over) / Underprovision	-	-	(64,679)	(64,679)
	Deferred Tax	-	-	400,000	400,000
	Per profit or loss	127,392	127,392	684,565	684,565
	At 1 January	349,245	349,245	382,694	382,694
	Payment during the year	(331,470)	(331,470)	(318,014)	(318,014)
	Deferred Tax	-	-	(400,000)	(400,000)
	At 31 December	<b>145,167</b>	<b>145,167</b>	<b>349,245</b>	<b>349,245</b>

The charge for taxation is based on the provision of the Company Income Tax Act Cap C21 LFN 2004. Education Tax is based on 2% of the assessable profit for the year in accordance with the Education Tax Act CAP E4 LFN 2004. NITDA levy is based on 1% of profit before tax in accordance with NITDA levy Act 2007.

29	Other liabilities <i>In thousands of Nigerian Naira</i>	Group	Bank	Group	Bank
		31 March 2017	31 March 2017	31 December 2016	31 December 2016
	Creditors and accruals	3,111,863	3,111,863	827,048	827,048
	Other current liabilities	138,656	70,396	427,068	427,068
	Pension Contribution (see note (i) below)	-	-	330	330
	Defined benefit Plan (See note (ii) below)	160,000	160,000	19,909	19,909
	Accounts payable	943,857	943,857	1,276,520	1,208,260
	Certified cheques	1,060,048	1,060,048	1,498,923	1,498,923
	Foreign currency transfers payable	9,452,389	9,452,389	8,242,032	8,242,032
	Discounting Line	9,603,504	9,603,504	7,526,234	7,526,234
	FBN Settlement	174,959	174,959	643,660	643,660
	Other Settlements	832,258	832,258	1,534,203	1,534,203
	Remittances	333,615	333,615	396,828	396,828
		<b>25,811,149</b>	<b>25,742,889</b>	<b>22,392,755</b>	<b>22,324,495</b>

30	Other borrowed funds <i>In thousands of Nigerian Naira</i>	Group	Bank	Group	Bank
		31 March 2017	31 March 2017	31 December 2016	31 December 2016
	Due to CBN (see (i) below)	-	-	6,422,814	6,422,814
	Wema SPV Bond	-	3,327,519	-	3,497,359
	Debt Securities	-	-	-	-
	National Housing Fund	111,477	111,477	113,783	113,783
	CBN MSMEDF	126,721	126,721	139,997	139,997
	Due to BOI (see (ii) below)	4,871,487	4,871,487	5,177,727	5,177,727
	CBN Agric loan (see iii below)	994,492	994,492	1,048,034	1,048,034
	Osun State Bail Out (see iv below)	9,701,907	9,701,907	9,735,070	9,735,070
	Shelter Afrique	3,063,500	3,063,500	3,147,505	3,147,505
	Other Borrowings	6,308,474	-	6,308,474	-
		<b>25,178,058</b>	<b>22,197,103</b>	<b>32,093,404</b>	<b>29,282,289</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December,2016**

- (i) This represents a subordinated convertible loan, plus accrued interest, granted to the Bank by the Central Bank of Nigeria (CBN) in October 2009 for a period of 7 years. The principal amount is repayable as a bullet payment at maturity while interest is payable monthly at MPR (monetary policy rate) minus 3% per annum 2010:(5%). The loan is convertible to either preference shares or ordinary shares of the Bank at the option of the CBN and becomes exercisable from 61 months after the draw-down date.The final payment was made in January 2017.
- (ii) The amount represents an 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 is secured by Nigerian Government Securities worth N 8,934,491,000 and have a maximum tenor of 15 years.
- A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers.
- (iii) This represents CBN intervention funds to some of the Bank's customers in the agricultural sector. The fund is administered at a maximum interest rate of 9% per annum. The maximum tenor of the facility is 7 years.
- Amounts represents salary credit bail out facility from Central Bank of Nigeria.It has a moratorium of twenty years at bank's interest rate of 9%.The corresponding credits is in loans and advances and the bank is expected to provide Central Bank of Nigeria with periodic progress on the facility.The principal repayment is by bullet payment at the expiration of the moratorium granted.
- (iv)

31	Group	Bank	Group	Bank
(a)	31 March 2017	31 March 2017	31 December 2016	31 December 2016
<b>Share capital</b>				
The share capital comprises:				
(i) <i>In thousands of Nigerian Naira</i>				
Authorised -				
40,000,000,000 Ordinary	40,000,000	40,000,000	40,000,000	40,000,000
shares of 50k each				
(ii)				
<i>In thousands of Nigerian Naira</i>				
Issued and fully paid -				
38,574,466,000 ordinary	19,287,233	19,287,233	19,287,233	19,287,233
shares of 50k each				
(b)				
<b>Share premium</b>				
Share premium is the excess paid by shareholders over the nominal value for their shares.				