

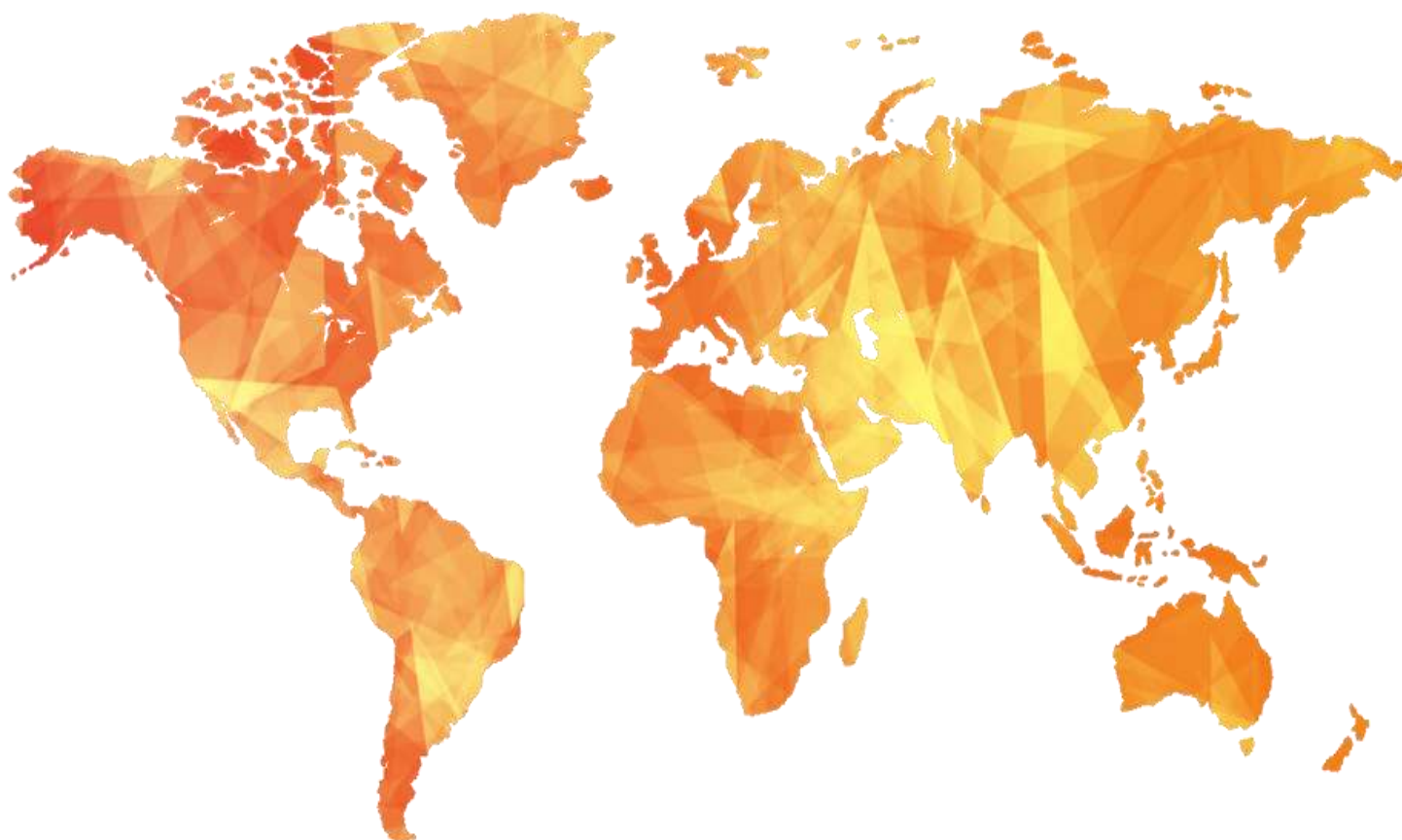


Guaranty Trust Bank plc
RC 152321

Guaranty Trust Bank Plc and Subsidiary Companies

Condensed Unaudited Group Interim Financial Statements

March 2016



Introduction

Guaranty Trust Bank's unaudited Interim Financial Statements complies with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding interim financial statements. These financial statements contain extract of the unaudited financial statements prepared in accordance with IAS 34 'Interim Financial Reporting' its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Financial statements

Statements of financial position

As at 31 March 2016

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Assets					
Cash and cash equivalents	17	309,906,065	254,633,215	214,910,250	173,133,109
Financial assets held for trading	18	24,199,309	34,626,186	16,392,008	25,075,618
Investment securities:					
– Available for sale	19	333,325,794	364,180,150	294,355,338	327,585,822
– Held to maturity	19	27,234,114	29,408,045	3,104,442	3,210,575
Assets pledged as collateral	20	60,278,582	61,954,777	60,278,582	61,946,270
Loans and advances to banks	21	638,817	1,051,521	638,817	638,817
Loans and advances to customers	22	1,362,822,475	1,371,925,547	1,253,225,019	1,265,207,443
Investment in subsidiaries	23	-	-	43,968,474	41,905,781
Property and equipment	24	86,783,702	87,988,778	78,216,141	79,192,748
Intangible assets	25	12,317,764	12,470,612	2,288,665	2,492,959
Deferred tax assets		2,960,805	3,244,141	-	-
Restricted deposits and other assets	26	435,100,891	303,110,737	422,346,830	297,240,082
Total assets		2,655,568,318	2,524,593,709	2,389,724,566	2,277,629,224
Liabilities					
Deposits from banks	27	31,938,862	26,256,839	198,012	39,941
Deposits from customers	28	1,776,814,914	1,610,349,689	1,574,805,120	1,422,550,125
Financial liabilities held for trading	29	244,352	-	244,352	-
Other liabilities	31	71,914,137	104,605,713	51,656,283	85,126,211
Current income tax liabilities	15	17,691,461	17,739,676	19,599,025	19,378,526
Deferred tax liabilities		4,475,707	6,839,522	4,392,470	6,345,773
Debt securities issued	30	157,453,056	180,117,424	-	-
Other borrowed funds	33	161,624,317	165,122,908	314,251,702	338,580,300
Total liabilities		2,222,156,806	2,111,031,771	1,965,146,964	1,872,020,876

Statements of financial position (Continued)
As at 31 March 2016

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Equity				
	34			
Capital and reserves attributable to equity holders of the parent entity				
Share capital	14,715,590	14,715,590	14,715,590	14,715,590
Share premium	123,471,114	123,471,114	123,471,114	123,471,114
Treasury shares	(4,754,156)	(4,754,156)	-	-
Retained earnings	69,175,049	51,089,585	62,516,904	46,048,031
Other components of equity	224,552,224	222,651,255	223,873,994	221,373,613
	427,159,821	407,173,388	424,577,602	405,608,348
Non-controlling interests in equity	6,251,691	6,388,550	-	-
Total equity	433,411,512	413,561,938	424,577,602	405,608,348
Total equity and liabilities	2,655,568,318	2,524,593,709	2,389,724,566	2,277,629,224

Income statements

For the period ended 31 March 2016

<i>In thousands of Nigerian Naira</i>	<i>Notes</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Interest income	4	55,833,099	54,951,283	49,295,983	49,436,751
Interest expense	5	(15,039,290)	(15,788,153)	(13,025,643)	(13,957,653)
Net interest income		40,793,809	39,163,130	36,270,340	35,479,098
Loan impairment charges	6	(3,385,875)	(3,526,454)	(3,009,932)	(3,501,055)
Net interest income after loan impairment charges		37,407,934	35,636,676	33,260,408	31,978,043
Fee and commission income	7	17,285,556	12,430,468	15,225,654	10,625,486
Fee and commission expense	8	(567,050)	(864,004)	(479,287)	(775,356)
Net fee and commission income		16,718,506	11,566,464	14,746,367	9,850,130
Net gains/(losses) on financial instruments classified as held for trading	9	1,171,643	5,830,792	592,398	5,006,091
Other income	10	1,103,893	5,803,091	907,301	5,616,908
Personnel expenses	11	(6,784,972)	(6,715,589)	(5,175,100)	(5,087,973)
Operating lease expenses	12	(397,090)	(368,334)	(170,515)	(177,106)
Depreciation and amortization	13	(3,320,708)	(3,117,078)	(2,895,407)	(2,727,549)
Other operating expenses	14	(15,223,221)	(15,983,224)	(13,257,165)	(14,207,771)
Profit before income tax		30,675,985	32,652,798	28,008,287	30,250,773
Income tax expense	15	(5,061,537)	(6,088,914)	(4,481,325)	(5,142,632)
Profit for the period		25,614,448	26,563,884	23,526,962	25,108,141
Profit attributable to:					
Equity holders of the parent entity		25,397,197	26,372,352	23,526,962	25,108,141
Non-controlling interests		217,251	191,532	-	-
		25,614,448	26,563,884	23,526,962	25,108,141

Earnings per share for the profit from attributable to the equity holders of the parent entity during the period (expressed in naira per share):

– Basic	16	0.90	0.94	0.80	0.85
– Diluted	16	0.90	0.94	0.80	0.85

The accompanying notes are an integral part of these financial statements

Statements of comprehensive income

For the period ended 31 March 2016

<i>In thousands of Nigerian Naira</i>	<i>Note:</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Profit for the period		25,614,448	26,563,884	23,526,962	25,108,141
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Foreign currency translation differences for foreign operations		(1,072,091)	236,214	-	-
Income tax relating to Foreign currency translation differences for foreign operations	15	321,627	(70,864)	-	-
Net change in fair value of available for sale financial assets		(6,483,619)	961,469	(6,511,011)	1,239,793
Income tax relating to Net change in fair value of available for sale financial assets	15	1,945,086	(288,441)	1,953,303	(371,938)
Other comprehensive income for the period, net of tax		(5,288,997)	838,378	(4,557,708)	867,855
Total comprehensive income for the period		20,325,451	27,402,262	18,969,254	25,975,996
Total comprehensive income attributable to:					
Equity holders of the parent entity		19,986,434	27,034,674	18,969,254	25,975,996
Non-controlling interests		339,017	367,588	-	-
Total comprehensive income for the period		20,325,451	27,402,262	18,969,254	25,975,996

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Changes in Equity
March 2016
Group

<i>In thousands of Nigerian Naira</i>	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Treasury shares	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent	Non-controlling interest	Total equity
Balance at 1 January 2016	14,715,590	123,471,114	53,793,105	169,730,267	(4,754,156)	3,938,817	(4,810,934)	51,089,585	407,173,388	6,388,550	413,561,938
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	-	25,397,196	25,397,196	217,252	25,614,448
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	(723,194)	-	(723,194)	(27,270)	(750,464)
Fair value adjustment	-	-	-	-	-	(4,687,569)	-	-	(4,687,569)	149,036	(4,538,533)
Total other comprehensive income	-	-	-	-	-	(4,687,569)	(723,194)	-	(5,410,763)	121,766	(5,288,997)
Total comprehensive income	-	-	-	-	-	(4,687,569)	(723,194)	25,397,196	19,986,433	339,018	20,325,451
Transactions with equity holders, recorded directly in equity:											
Transfers for the period	-	-	-	7,311,732	-	-	-	(7,311,732)	-	-	-
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	(470,293)	(470,293)
Dividend to equity holders	-	-	-	-	-	-	-	-	-	(5,584)	(5,584)
	-	-	-	7,311,732	-	-	-	(7,311,732)	-	(475,877)	(475,877)
Balance at 31 March 2016	14,715,590	123,471,114	53,793,105.00	177,041,999.00	(4,754,156)	(748,752)	(5,534,128)	69,175,049	427,159,821	6,251,691	433,411,512

Consolidated Statement of Changes in Equity
Mar-2015
Group

<i>In thousands of Nigerian Naira</i>	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Treasury shares	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent	Non-controlling interest	Total equity
Balance at 1 January 2015	14,715,590	123,471,114	28,540,673	148,413,152	(3,987,575)	127,688	(3,670,847)	51,425,181	359,034,976	5,679,322	364,714,298
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	-	26,372,352	26,372,352	191,532	26,563,884
Other comprehensive income, net of tax											
Foreign currency translation difference	-	-	-	-	-	-	(10,706)	-	(10,706)	176,056	165,350
Fair value adjustment	-	-	-	-	-	673,028	-	-	673,028	-	673,028
Total other comprehensive income	-	-	-	-	-	673,028	(10,706)	-	662,322	176,056	838,378
Total comprehensive income	-	-	-	-	-	673,028	(10,706)	26,372,352	27,034,674	367,588	27,402,262
Transactions with equity holders, recorded directly in equity:											
Transfers for the period	-	-	444,406	10,743,237	-	-	-	(11,187,643)	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	(44,146,771)	(44,146,771)	-	(44,146,771)
	-	-	444,406	10,743,237	-	-	-	(55,334,414)	(44,146,771)	-	(44,146,771)
Balance at 31 March 2015	14,715,590	123,471,114	28,985,079	159,156,389	(3,987,575)	800,716	(3,681,553)	22,463,119	341,922,879	6,046,910	347,969,789

Statement of Changes in Equity
March 2016
Parent

In thousands of Nigerian Naira

	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2016	14,715,590	123,471,114	52,241,013	165,367,114	3,765,486	46,048,031	405,608,348
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	-	23,526,962	23,526,962
Other comprehensive income, net of tax							
Fair value adjustment	-	-	-	-	(4,557,708)	-	(4,557,708)
Total other comprehensive income	-	-	-	-	(4,557,708)	-	(4,557,708)
Total comprehensive income	-	-	-	-	(4,557,708)	23,526,962	18,969,254
Transactions with equity holders, recorded directly in equity:							
Transfers for the period	-	-	-	7,058,089	-	(7,058,089)	-
	-	-	-	7,058,089	-	(7,058,089)	-
Balance at 31 March 2016	14,715,590	123,471,114	52,241,013	172,425,203	(792,222)	62,516,904	424,577,602

Statement of Changes in Equity
Mar-2015
Parent

In thousands of Nigerian Naira

	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2015	14,715,590	123,471,114	28,349,056	144,619,327	(67,139)	48,824,128	359,912,076
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	-	25,108,141	25,108,141
Other comprehensive income, net of tax							
Fair value adjustment	-	-	-	-	867,855	-	867,855
Total other comprehensive income	-	-	-	-	867,855	-	867,855
Total comprehensive income	-	-	-	-	867,855	25,108,141	25,975,996
Transactions with equity holders, recorded directly in equity:							
Transfers for the period	-	-	-	7,532,442	-	(7,532,442)	-
Dividend to equity holders	-	-	-	-	-	(44,146,771)	(44,146,771)
	-	-	-	7,532,442	-	(51,679,213)	(44,146,771)
Balance at 31 March 2015	14,715,590	123,471,114	28,349,056	152,151,769	800,716	22,253,056	341,741,301

Statements of cash flows

For the period ended 31 March 2016

<i>In thousands of Nigerian Naira</i>	Notes	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Cash flows from operating activities					
Profit for the period		25,614,448	26,563,884	23,526,962	25,108,141
Adjustments for:					
Depreciation of property and equipment	13, 24	3,066,053	2,720,127	2,651,575	2,507,083
Amortisation of Intangibles		254,655	396,951	243,832	220,466
Gain on disposal of property and equipment		(556,806)	(43,006)	(553,290)	(41,745)
Impairment on financial assets		3,605,873	3,648,629	3,146,432	3,501,055
Net interest income		(40,793,809)	(39,163,130)	(36,270,340)	(35,479,098)
Foreign exchange gains	10	(410,678)	(5,748,628)	(197,052)	(5,579,741)
Fair value changes for FVTPL		53,911	4,578	53,911	4,578
Derivatives fair value changes		-	276,358	-	276,358
Dividend received		(1,012)	-	(30,869)	-
Income tax expense	15, 26	5,061,537	6,088,914	4,481,325	5,142,632
Other non-cash items		406,691	(3,016,857)	406,691	(3,034,449)
		(3,699,137)	(8,272,180)	(2,540,823)	(7,374,720)
Net changes in:					
Financial assets held for trading		9,907,085	(1,339,231)	8,629,699	1,235,598
Assets pledged as collateral		1,676,332	(10,890,640)	1,667,688	(10,895,913)
Loans and advances to banks		415,785	5,801,213	(243)	7,424
Loans and advances to customers		8,272,318	27,665,315	13,217,640	16,039,189
Restricted deposits and other assets		(132,018,842)	(5,541,260)	(125,075,655)	5,388,919
Deposits from banks		6,558,441	4,351,404	158,071	(49,453)
Deposits from customers		171,412,652	3,137,479	152,881,115	9,619
Financial liabilities held for trading		244,352	6,095,398	244,352	6,095,398
Other liabilities		(31,734,317)	11,310,150	(33,141,417)	3,833,012
		34,733,806	40,589,828	18,581,250	21,663,793
Interest received		50,615,489	53,460,460	44,078,373	47,945,928
Interest paid		(15,208,960)	(11,262,880)	(13,195,313)	(9,432,380)
		73,580,159	74,515,228	54,062,448	52,802,621
Income tax paid		(4,884,520)	(496,378)	(4,260,826)	-
Net cash/(used in) provided by operating activities		68,695,639	74,018,850	49,801,622	52,802,621

Statements of cash flows

For the period ended 31 March 2016

<i>In thousands of Nigerian Naira</i>	Notes	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Cash flows from investing activities					
Redemption of investment securities		313,538,299	259,508,563	313,538,299	259,508,563
Purchase of investment securities		(288,323,690)	(281,820,293)	(286,712,693)	(286,471,563)
Dividends received		1,012	-	30,869	-
Purchase of property and equipment	24	(2,032,726)	(4,370,455)	(1,724,832)	(3,752,152)
Proceeds from the sale of property and equipment		534,261	173,606	603,154	76,804
Purchase of intangible assets	25	(95,646)	(613,659)	(39,537)	(386,910)
Additional investment in subsidiary		-	-	(2,062,693)	-
Net cash provided by/(used in) investing activities		23,621,510	(27,122,238)	23,632,567	(31,025,258)
Cash flows from financing activities					
Increase in debt securities issued		-	3,323,783	-	-
Repayment of debt securities issued		(25,259,936)			
Repayment of long term borrowings		(2,843,232)	(14,990,193)	(26,437,098)	(1,950,020)
Increase in long term borrowings		2,108,500	59,328,625	2,108,500	59,328,625
Finance lease repayments		(206,514)	(451,116)	(206,514)	(192,621)
Dividends paid to owners	43	-	(44,146,771)	-	(44,146,771)
Dividends paid to non-controlling interest		(5,584)	-	-	-
Decrease in non-controlling interest		(470,293)	-	-	-
Net cash provided by financing activities		(26,677,059)	3,064,328	(24,535,112)	13,039,213
Net (decrease) /increase in cash and cash equivalents		58,501,129	49,960,940	41,760,116	34,816,576
Cash and cash equivalents at beginning of period		254,633,215	246,939,868	173,133,109	161,778,647
Effect of exchange rate fluctuations on cash held		(3,228,280)	8,183,583	17,025	7,224,835
Cash and cash equivalents at end of the period		309,906,064	305,084,391	214,910,250	203,820,058

The accompanying notes are an integral part of these financial statements

1. Reporting entity

Guaranty Trust Bank Plc (“the Bank” or “the Parent”) is a company domiciled in Nigeria. The address of the Bank’s registered office is Plot 635, Akin Adesola Street, Victoria Island, Lagos. These separate and consolidated financial statements, for the period ended 31 March 2016, are prepared for the Parent and the Group (Bank and its subsidiaries, separately referred to as “Group entities”) respectively. The Parent and the Group are primarily involved in investment, corporate and retail banking.

2. Basis of preparation

The interim financial statements of the Parent and the Group have been prepared in accordance with IAS 34 ‘Interim financial reporting’ and with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act.

These financial statements were authorised for issue by the directors on **20 April, 2016**.

3. (a) Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. All entities within the group apply the same accounting policies.

(a) Functional and presentation currency

These Consolidated and Separate financial statements are presented in Nigerian Naira, which is the Parent’s functional currency. Except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(b) Interim Financial Statements

The accompanying Statements of Financial Positions as at 31st March, 2016, the Statements of Comprehensive Income for the three months ended 31 March 2016, and 2015, the Statements of Changes in Equity for the three months ended 31 March 2016, and 2015, the Statements of Cash Flows for the three months ended 31 March 2016, and 2015 and the explanatory notes to the financial statements are audited and have been prepared for interim financial information. These Interim Financial Statements have been prepared in compliance with the International Financial Reporting Standards.

(c) Basis of measurement

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

- Derivative financial instruments which are measured at fair value.
- Non-derivative financial instruments, carried at fair value through profit or loss, are measured at fair value.
- Available-for-sale financial assets are measured at fair value through equity. However, when the fair value of the Available-for-sale financial assets cannot be measured reliably, they are measured at cost less impairment.
- Liabilities for cash-settled share-based payment arrangements are measured at fair value.
- The liability for defined benefit obligations is recognized as the present value of the

defined benefit obligation less the fair value of the plan assets.

- The plan assets for defined benefit obligations are measured at fair value.
- Assets and liabilities held for trading are measured at fair value
- Assets and Liabilities held to maturity are measured at amortised cost
- Loans and Receivables are measured at amortised cost.

(d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

(e) Changes to accounting policies

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period

It is important to note that no standard nor amendment to existing standard took effect during the reporting period. Hence, there was no impact on the accounting policies, financial position or performance of the Group.

Standards and interpretations issued/amended but not yet effective

Other standards issued/amended by the IASB but yet to be effective are outlined below:

<i>Standard</i>	<i>Content</i>	<i>Effective Year</i>
Amendments to IFRS 7	Financial Instruments: Disclosures	1-Jul-16
Amendments to IAS 19	Employee Benefits	1-Jul-16
Amendments to IAS 34	Interim Financial Reporting	1-Jul-16
Amendments to IAS 16	Property, Plant and Equipment	1-Jan-16
Amendments to IAS 38	Intangible Assets	1-Jan-16
Amendments to IAS 41	Agriculture	1-Jan-16
IFRS 15	Revenue from Contracts with Customers	1-Jan-17
Amendments to IFRS 14	Regulatory deferral accounts	1-Jan-16
Amendments to IFRS 5	Non Current Asset Held for Sale and Discontinued Operations	1-Jul-16
IFRS 10	Consolidated Financial Statements	1-Jan-16

Commentaries on these new standards/amendments are provided below.

- **Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations**
Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

 - apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
 - disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).
- **Amendments to IAS 1 - Presentation of financial statements**
Amends IAS 1 to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
- **Amendments to IAS 27 - Separate financial statements**
Amends IAS 27 to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- **Amendments to IFRS 7 - Financial Instruments: Disclosures**
Amends IFRS 7 to remove the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that offsetting disclosures is not required in the condensed interim financial report. However, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, an entity is required to include the disclosures in the condensed interim financial report.

On servicing contract, it clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.
- **Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions**
Amends IAS 19 to clarify that high quality corporate bonds used in estimating the discount rate for post employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).
- **Amendments to IAS 34 – Interim Financial Reporting**
Amends IAS 34 to clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross reference between the financial statements and wherever they are included within the greater interim financial report (e.g. management commentary or risk report).
- **IAS 16 – Property, Plant and Equipment**
Amends IAS 16 to clarify that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset

generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

▪ **IAS 38 – Intangible Assets**

Amends IAS 38 to introduce a rebuttable presumption that a revenue-based amortization method for intangible assets is inappropriate for the same reasons as stated in amendment to IAS 16 above. The amendment stated that there are limited circumstances where the rebuttable presumption can be overcome. This is when the intangible asset is expressed as a measure of income and when it can be demonstrated that revenue and consumption of economic benefits of the intangible asset are highly correlated although there are no clear details as to the admissible evidence that is required to overcome the presumption.

▪ **IAS 41 – Agriculture**

The amendment seeks to move biological assets that meet the definition of a “Bearer Plant” away from the fair value measurement approach as prescribed by IAS 41, Agriculture and bring it within the scope of IAS 16, Property, Plant and Equipment. This will enable entities to measure bearer plants at cost subsequent to initial recognition or at revaluation. The amendment also introduced an appropriate definition of a bearer plant.

The Group does not have any operational business related to Agriculture and therefore is not in any way impacted by the standard or its amendments.

▪ **IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are Identification of the contract with the customer, Identification of the performance obligations in the contract, Determination of the transaction price, Allocation of the transaction price to the performance obligations in the contracts, and Recognition of revenue when (or as) the entity satisfies a performance obligation.

▪ **IFRS 14- Regulatory deferral accounts:**

IFRS 14 is designed as a limited scope Standard to provide an interim, short-term solution for rate-regulated entities that have not yet adopted International Financial Reporting Standards (IFRS). Its purpose is to allow rate-regulated entities adopting IFRS for the first-time to avoid changes in accounting policies in respect of regulatory deferral accounts until such time as the International Accounting Standards Board (IASB) can complete its comprehensive project on rate regulated activities. This standard would not have an impact on the Group as it is not a first time preparer of IFRS financial statements. This is in addition to the fact that the regulators of the countries where we operate do not allow creation of any regulatory deferral account.

▪ **Amendments to IFRS 5 - Non Current Asset Held for Sale and Discontinued Operations**

Amends IFRS 5 with specific guidance on changes in disposal methods, for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases for which held for distribution accounting is discontinued. The amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new disposal plan, rather it is a continuation of the original plan.

▪ **Amendments to IFRS 10 - Consolidated Financial Statements**

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. These amendments do not have any impact on the Group as no member of the Group is an investment entity.

▪ **IFRS 9 - Financial instruments**

IFRS 9 is part of the IASB's project to replace IAS 39. It addresses classification, measurement and impairment of financial assets as well as hedge accounting.

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss. It includes the guidance on accounting for and presentation of financial liabilities and derecognition of financial instruments which was previously in IAS 39. Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss be reflected in impairment allowances. The bank is yet to quantify the impact of this change although it is expected to lead to an increased impairment charge than recognized under IAS 39.

Furthermore, the IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The bank is yet to quantify the impact of these changes on its financial statements.

Other standards and interpretations issued that are effective for annual periods beginning after January 1, 2016, as shown on page 61, have not been applied in preparing these financial statements and the Group is yet to assess the full impact of the amendments arising from these standards.

3.(b)Other Accounting Policies

Other accounting policies that have been applied are:

(a) Consolidation

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date. The consolidation principles are unchanged as against the comparative period.

(i) Subsidiaries

Subsidiaries are entities controlled by the Parent. Control exists when the Parent has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Acquisition of subsidiaries

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 Parent. The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure at the acquisition date components of non-controlling interests in the acquiree at its fair value, or at its proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRS. Transaction costs, 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.

(ii) Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity is consolidated if the Group is exposed, or has rights to variable returns from its involvement with the Structured Entity and has the ability to affect those returns through its power over the Structured Entity. Power is the current ability to direct the activities that significantly influence returns.

The Group established GTB Finance B.V. Netherlands as a Structured Entity to raise funds from the international financial market. Accordingly, the financial statements of GTB Finance B.V. have been consolidated.

(iii) Accounting method of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The results of the subsidiaries acquired or disposed of during the period are included in the consolidated financial statements from the effective acquisition date and or up to the effective date on which control ceases, as appropriate. The integration of the subsidiaries into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

(iv) Transactions eliminated on consolidation

Intra-group balances, income and expenses (except for foreign currency translation gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiaries, associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Profits and losses resulting from intra-group transactions are also eliminated.

(v) Non-controlling interest

The group applies IFRS 10 Consolidated Financial Statements (2011) in accounting for acquisitions of non-controlling interests. Under this accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

(b) Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions, that is transactions denominated, or that require settlement in a foreign currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year end translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in the Income statement are presented net in the Income statement within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available for sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in equity.

(iii) Group Entities

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- 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 dates of the transactions);
- All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'Foreign currency translation reserve'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to 'Other comprehensive income'. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

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.

(c) Interest

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

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, the next re-pricing date) to the 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 income and expense presented in the Income statement include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis.
- Interest on financial assets measured at fair value through profit or loss calculated on an effective interest rate basis.
- Interest on financial assets measured at fair value through OCI calculated on an effective interest rate basis.

(d) Fees and commission

Fees and Commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantee, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities.

Other fees and commissions which relates mainly to transaction and service fees, including loan account structuring and service fees, investment management and other fiduciary activity fees, sales commission, placement line fees, syndication fees and guarantee issuance fees are recognised as the related services are provided / performed.

(e) Net trading income

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

(f) Net income from other financial instruments at fair value through profit or loss

Net income from other financial instruments at fair value through profit or loss relates to derivatives held for risk management purposes that do not form part of qualifying hedge relationships.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and liabilities carried at fair value through profit or loss, are presented in Other operating income – Mark to market gain/(loss) on trading investments in the Income statement.

(g) Dividend income

Dividend income is recognised when the right to receive income is established. Dividends on trading equities are reflected as a component of net trading income. Dividend income on long term equity investments is recognised as a component of other operating income.

(h) Leases

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

(a) The Group is the lessee**(i) Operating lease**

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Leases, 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 outstanding balance of the finance lease.

The corresponding rental obligations, net of finance charges, are included in other liabilities. 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. Investment properties acquired under finance lease are measured subsequently at their fair value.

(b) The Group is the lessor

When assets are leased to a third party under finance lease terms, the present value of the lease income 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.

(i) Income Tax**(a) Current income tax**

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and it consists of Company Income Tax, Education tax and NITDEF tax.

Company Income tax is assessed at a statutory rate of 30% of total profit. Education tax is computed as 2% of assessable profit while NITDEF tax is a 1% levy on Profit before tax of the Bank.

Current income tax is recognised as an expense for the period except to the extent that current tax is related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, deferred tax is charged or credit to other comprehensive income or to equity (for example, current tax on available-for-sale investment).

Where the Group has tax losses that can be relieved only by carrying it forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position.

The Group evaluates positions stated in tax returns; ensuring information disclosed are in agreement with the underlying tax liability, which has been adequately provided for in the financial statements.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

However, the deferred income tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the income statement together with the deferred gain or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(j) **Financial assets and liabilities**

(i) **Recognition**

The Group initially recognises loans and advances, Deposits, Debt securities issued and Subordinated liabilities on the date that the Bank becomes a party to the contract. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

(ii) **Classification**

The classification of financial instruments depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. The Group's classification of financial assets and liabilities are in accordance with IAS 39, viz:

a) Loans and Receivables

The group's loans and receivable comprises loans and advances, cash and cash equivalent and other receivables.

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

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and advances.

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

Cash and cash equivalents include notes and coins on hand, Unrestricted balances held with central banks, Balances held with other banks, Money market placements 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. Cash and cash equivalents are carried at amortised cost in the Statements of financial position.

b) Available-for-sale investments

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value (see note J (iii)).

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

or loss.

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

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

c) Held-to-maturity

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

Held-to-maturity investments are carried at amortised cost using the effective interest method. A sale or reclassification of a significant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value.
- Sales or reclassifications after the Group have 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.

d) Financial assets and liabilities at fair value through profit or loss

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

Financial liabilities for which the fair value option is applied are recognised in the Statements of financial position as 'Financial liabilities designated at fair value'. Fair value changes relating to financial liabilities designated at fair value through profit or loss are recognised in 'Net gains/(losses) on financial instruments designated at fair value through profit or loss'.

- Financial assets and liabilities classified as held for trading

Trading assets and liabilities are those assets and liabilities that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit.

Trading assets and liabilities (including derivatives other than those designated as hedging instruments) are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

- Designation at fair value through profit or loss

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

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise or
- the financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis or
- the financial assets consists of debt host and an embedded derivative that must be separated.

To reduce accounting mismatch, the fair value option is applied to certain loans and receivables that are hedged with credit derivatives or interest rate swaps but for which the hedge accounting conditions of IAS 39 are not fulfilled. The loans would have been otherwise accounted for at amortised cost, whereas the derivatives are measured at fair value through profit or loss.

The fair value option is also applied to investment funds that are part of a portfolio managed on a fair value basis. Furthermore, the fair value option is applied to structured instruments that include embedded derivatives.

Financial assets for which the fair value option is applied are recognised in the Statements of financial position as 'Financial assets held for trading' and 'Derivative financial assets'. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains/(losses) on financial instruments classified as held for trading'.

(iii) Measurement

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

Financial assets at fair value through profit and loss are subsequently measured at fair value. Held to maturity financial assets and Loans and receivables are subsequently measured at amortised cost using the effective interest rate. Available for sale financial assets are subsequently measured at fair value through equity except where the fair value cannot be

reliably measured.

Non-trade financial liabilities are measured at amortised cost. Liabilities held for trading are measured at fair value. Subsequent recognition of financial assets and liabilities is at amortised cost or fair value.

Changes in the fair value of monetary and non monetary securities classified as available-for-sale are recognised in their comprehensive income (OCI). When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statements as “gains or losses from investment securities”.

a) 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.

b) 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.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, NSE, LSE) and broker quotes from Bloomberg and Reuters.

A financial instrument is regarded as quoted in an active market if it is traded in a market with sufficient frequency and volume to provide pricing information on an ongoing basis on the instrument. Otherwise, the market is to be regarded as inactive.

For financial instruments with no readily available quoted market price, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the end of the reporting period.

The Group uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted debt securities (including those with embedded derivatives) and other debt instruments for which markets were or have become illiquid. Some of the inputs to these

models may not be market observable and are therefore estimated based on assumptions.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. For the purpose of disclosure, the fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

(iv) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statements of financial position when, and only when, the Group has a legal 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.

(v) De-recognition

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 recognized in other comprehensive income is recognized in profit or loss.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows 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 such transferred financial asset that qualify for derecognition that is created or retained by the Group is recognized as a separate asset or liability.

In certain transactions the Group retains the obligations to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. An asset or liability is recognized 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.

The Group enters into transactions whereby it transfers assets recognized on its statement of 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 derecognized. 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 recognize 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.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

(vi) Pledge of assets as collateral

Financial assets transferred to external parties that do not qualify for de-recognition (see J(v)) are reclassified in the statement of financial position from 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 available for sale or held to maturity. Where the assets pledged as collateral are designated as available for sale, subsequent measurement is at fair-value through equity. Assets pledged as collateral designated as held to maturity are measured at amortized cost.

(vii) Sale and repurchase agreements

Securities sold under repurchase agreements ('repos') remain on the statements 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.

(viii) Identification and measurement of impairment**(a) Assets carried at amortised cost**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- (i) significant financial difficulty of the issuer or obligor;

- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- (iv) it becomes probable that the borrower will enter bankruptcy or other financial re-organisation;
- (v) the disappearance of an active market for that financial asset because of financial difficulties; or
- (vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national economic conditions that correlate with defaults on the assets in the portfolio.

The estimated period between a loss occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Group's grading process

that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks and customers are classified in loan impairment charges whilst impairment charges relating to investment securities (held to maturity category) are classified in 'Net gains/ (losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the Income statement.

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Income statement. Impairment losses recognised in the Income statement on equity instruments are not reversed through the Income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the Income statement.

Assets classified as available for sale are assessed for impairment in the same manner as assets carried at amortised cost.

(k) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as either held for trading, held-to-maturity, fair value through profit or loss or available-for-sale. See description in accounting policy Note J (ii) above

(l) Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value with changes in fair value recognised in profit or loss.

(m) Investment in subsidiaries

Investments in subsidiaries are reported at cost less any impairment (if any) in the separate financial statement of the Bank.

(n) Property and equipment**(i) Recognition and measurement**

The bank recognizes items of property, plant and equipment at the time the cost is incurred. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment as well as the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular period.

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When 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 assets' carrying values and useful lives are reviewed, and written down if appropriate, at each reporting date. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (p) on impairment of non-financial assets.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the

cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. 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 are as follows:

Item of Property, Plant and Equipment	Estimated Useful Life
Leasehold improvements	Over the shorter of the useful life of the item or lease term
Buildings	50 years
Leasehold Land	Over the remaining life of the lease
Furniture and equipment	5years
Computer hardware	3years
Motor vehicles	4years
Other transportation equipment	10years

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.

Cost of leasehold land is amortised over the remaining life of the lease as stated in the certificate of occupancy issued by Government.

(iv) 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 the income statement in the year the asset is derecognised.

(o) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss; Goodwill on acquisition of subsidiaries is included in intangible assets.

Subsequent measurement

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 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.

(ii) 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. Development costs previously expensed cannot be capitalised. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, 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 profit or loss 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 the future economic benefits embodied in the asset. The maximum useful life of software is five years.

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

(p) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, inclusive of 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 available for use, the recoverable amount is estimated each year.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

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 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.

(q) Deposits, debt securities issued

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.

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

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

(r) Provisions

A provision is recognized 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.

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. The Group recognizes no provision for future operating losses.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(s) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are

initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees, principally consisting of letters of credit are included within other liabilities.

(t) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity. The rate of contribution by the Bank and its employee is 10% and 8% respectively of basic salary, housing and transport allowance. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension fund administrators (PFA) on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the Statements of Comprehensive Income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the Statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the Statements of financial position less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In determining the appropriate discount rate, the Group considers the market yields on Government Bonds of medium duration as compiled by the Debt Management Organisation.

Remeasurements arising from experience adjustments and changes in actuarial assumptions in excess of the plan assets or of the defined benefit obligation are charged or credited to Other Comprehensive Income in the financial year in which they arise. Past-service costs are recognised immediately in the Income statement.

(iii) Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) 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.

(v) Share-based payment transactions

The Bank operates a cash-settled share based compensation plan (i.e. share appreciation rights - SARs) for its management personnel. The management personnel are entitled to the share appreciation rights at a pre-determined price, usually market price, after spending ten years in the Bank.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

(u) Discontinued operations

The Group presents discontinued operations in a separate line in the Income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and:

- (a) Represents a separate major line of business or geographical area of operations;
- (b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) Is a subsidiary acquired exclusively with a view to resale

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 Income statement.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject to terms that are usual and customary for sales of such assets.

(v) Assets acquired in exchange for loans

Non-financial assets acquired in exchange for loans as part of an orderly realisation are recorded as assets held for sale and reported in 'Other assets' if the carrying amounts of the assets are recovered principally through sale, the assets are available for sale in their present condition and their sale is highly probable.

The asset acquired is recorded at the lower of its fair value less costs to sell and the carrying amount of the loan (net of impairment allowance) at the date of exchange. No depreciation is charged in respect of assets held for sale. Any subsequent write-down of the acquired asset to fair value less costs to sell is recognised in the income statement, in 'Other operating income'. Any subsequent increase in the fair value less costs to sell, to the extent this does not exceed the cumulative write-down, is also recognised in 'Other operating income', together with any realised gains or losses on disposal.

(w) Share capital and reserves

(i) Share issue costs

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

(ii) Dividend on the Bank's ordinary shares

Dividends on the Bank's ordinary shares are recognised in equity when approved by the Bank's shareholders.

(iii) Treasury shares

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

(x) Earnings per share

The Group presents Basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or 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 that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares.

(y) 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 Management Committee to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned, while indirect cost are allocated based on the benefits derived from such costs.

Accounting classification measurement basis and fair values (continued)

Financial instruments at fair value (including those held for trading, designated at fair value, derivatives and available-for-sale) are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible these models use as their basis observable market prices and rates including, for example, interest rate yield curves and prices.

4 Interest income

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Loans and advances to banks	51,871	37,864	1,403	1,387
Loans and advances to customers	43,702,118	40,042,078	39,474,353	36,346,224
	43,753,989	40,079,942	39,475,756	36,347,611
Cash and cash equivalents	388,844	1,012,378	204,234	784,491
Financial assets held for trading	630,411	614,684	260,889	421,950
Investment securities:				
– Available for sale	9,851,249	10,856,464	9,250,662	11,734,754
– Held to maturity	1,208,606	2,387,815	104,442	147,945
	55,833,099	54,951,283	49,295,983	49,436,751

5	Interest expense	Group	Group	Parent	Parent
		Mar-2016	Mar-2015	Mar-2016	Mar-2015
	<i>In thousands of Nigerian Naira</i>				
	Deposit from banks	44,136	77,500	55,903	2,205
	Deposit from customers	10,705,742	11,612,548	8,747,300	9,870,099
		10,749,878	11,690,048	8,803,203	9,872,304
	Financial liabilities held for trading	71,021	47,081	16,648	47,081
	Other borrowed funds	1,209,493	917,703	4,205,792	4,038,268
	Debt securities	3,008,898	3,133,321	-	-
	Total interest expense	15,039,290	15,788,153	13,025,643	13,957,653

6	Loan impairment charges	Group	Group	Parent	Parent
		Mar-2016	Mar-2015	Mar-2016	Mar-2015
	<i>In thousands of Nigerian Naira</i>				
	Collective impairment	3,167,651	3,013,912	3,040,000	2,972,999
	Specific impairment	438,222	652,484	106,432	545,823
	Recovery of loan amounts previously written off	(219,998)	(139,942)	(136,500)	(17,767)
		3,385,875	3,526,454	3,009,932	3,501,055

7 **Fee and commission income**

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Credit related fees and commissions	2,913,681	3,289,892	2,202,227	2,713,053
Account maintenance fees ¹	1,973,827	2,898,361	1,705,540	2,668,243
Corporate finance fees	996,243	17,561	996,243	17,561
Commission on foreign exchange deals	845,105	1,019,938	712,997	924,362
Income from financial guarantee contracts issued	903,350	1,429,685	865,126	1,400,607
Account services and ancillary banking charges	697,834	459,511	632,063	353,201
Transfers related charges	1,010,470	427,542	915,233	328,628
E-busines Income	7,945,046	2,887,978	7,196,225	2,219,831
	17,285,556	12,430,468	15,225,654	10,625,486

¹ comparative period relates to commission on turnover which is no longer in existence

8 **Fee and commission expense**

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Bank charges	411,148	291,672	371,050	252,167
Loan recovery and brokerage expenses	155,902	572,332	108,237	523,189
	567,050	864,004	479,287	775,356

9 **Net gains/(losses) on financial instruments classified as held for trading**

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Bonds trading	113,389	93,062	113,389	93,062
Treasury bills trading	88,685	275,707	88,685	275,707
Foreign exchange	969,569	5,462,023	390,324	4,637,322
Net trading income	1,171,643	5,830,792	592,398	5,006,091

10 Other income

	Group	Group	Parent	Parent
<i>In thousands of Nigerian Naira</i>	Mar-2016	Mar-2015	Mar-2016	Mar-2015
Mark to market gains on trading investments	(53,911)	(4,578)	(53,911)	(4,578)
Foreign exchange revaluation gain	410,678	5,748,628	197,052	5,579,741
Gain on disposal of fixed assets	556,806	43,006	553,290	41,745
Net portfolio (loss)/gain on SMEEIS and long term investments	189,308	16,035	180,001	-
Dividends income	1,012	-	30,869	-
	1,103,893	5,803,091	907,301	5,616,908

11 Personnel expenses

	Group	Group	Parent	Parent
<i>In thousands of Nigerian Naira</i>	Mar-2016	Mar-2015	Mar-2016	Mar-2015
Wages and salaries	6,540,523	6,474,359	5,002,124	4,920,055
Contributions to defined contribution plans	212,864	210,242	172,976	167,918
Staff welfare expenses	31,585	30,988	-	-
	6,784,972	6,715,589	5,175,100	5,087,973

12 Operating lease expense

	Group	Group	Parent	Parent
<i>In thousands of Nigerian Naira</i>	Mar-2016	Mar-2015	Mar-2016	Mar-2015
Operating lease expense	397,090	368,334	170,515	177,106
	397,090	368,334	170,515	177,106

13 Depreciation and amortisation

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Amortisation of intangible assets (see note 25)	254,655	396,951	243,832	220,466
Depreciation of property, plant and equipment (see note 24)	3,066,053	2,720,127	2,651,575	2,507,083
	3,320,708	3,117,078	2,895,407	2,727,549

14 Other operating expenses

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Finance costs	32,320	45,607	32,320	45,607
Deposit insurance premium	1,519,794	1,520,572	1,504,375	1,520,572
Other insurance premium	334,491	338,320	292,040	296,734
Auditors' remuneration	129,424	120,986	91,800	88,707
Professional fees and other consulting costs	248,264	266,687	224,986	183,127
AMCON expenses	2,847,347	2,635,466	2,847,347	2,635,466
Stationery and postage	563,296	519,238	482,882	455,361
Business travel expenses	84,594	149,904	41,685	111,403
Advert, promotion and corporate gifts	1,547,959	1,756,407	1,405,577	1,681,865
Repairs and maintenance	1,584,130	1,301,481	1,373,601	1,161,054
Occupancy costs	1,192,839	1,621,046	972,353	1,416,747
Directors' emoluments	141,765	116,412	73,365	56,755
Outsourcing services	1,955,455	1,870,300	1,772,629	1,693,363
Others ¹	3,041,543	3,720,798	2,142,205	2,861,010
	15,223,221	15,983,224	13,257,165	14,207,771

¹ Included in Others are communication expenditures, training, transportation and allowances paid to Interns.

15 **Income tax expense**
recognised in the Income statement

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Current tax expense:				
Company income tax	4,283,656	5,435,928	3,921,159	4,537,617
Education Tax	560,166	605,015	560,166	605,015
	4,843,822	6,040,943	4,481,325	5,142,632
Deferred tax expense:				
Origination of temporary differences	217,715	47,971	-	-
	5,061,537	6,088,914	4,481,325	5,142,632

Income tax recognised in other comprehensive income

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Income tax relating to Foreign currency translation differences for foreign operations	(321,627)	70,864	-	-
Income tax relating to Net change in fair value of available for sale financial assets	(1,945,086)	288,441	(1,953,303)	371,938
	(2,266,713)	359,305	(1,953,303)	371,938

(b) *Current income tax payable*

The movement on the current income tax payable account during the period was as follows:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Balance, beginning of the period	17,739,676	20,827,157	19,378,526	22,275,884
Exchange difference on translation	(7,517)	33,645	-	-
Charge for the period	4,843,822	16,291,611	4,481,325	13,430,611
Payments during the period	(4,884,520)	(23,307,163)	(4,260,826)	(20,222,395)
Dividend tax	-	3,894,426	-	3,894,426
Balance, end of the period	17,691,461	17,739,676	19,599,025	19,378,526

16 Basic and Diluted earnings per share

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

The calculation of basic earnings per share for the reporting period was based on the profit attributable to ordinary shareholders of N25,397,197,000 and a weighted average number of ordinary shares outstanding of 28,152,505,000 and it is calculated as follows:

Profit attributable to ordinary shareholders

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015
Net profit attributable to equity holders of the Company	25,397,197	26,372,352
Interest expense on convertible debt (net of tax)	-	-
Net profit used to determine diluted earnings per share	25,397,197	26,372,352

Number of ordinary shares

<i>In thousands of shares</i>	Group Mar-2016	Group Mar-2015
Weighted average number of ordinary shares in issue	28,152,505	28,190,505
Basic earnings per share (expressed in naira per share)	0.90	0.94

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS for continuing operations are the same for the Group.

Weighted average number of ordinary shares in issue	28,152,505	28,190,505
Adjustment for:		
-Bonus element on conversion of convertible debt	-	-
-Share options	-	-
Weighted average number of ordinary shares for diluted earnings per share	28,152,505	28,190,505
Diluted earnings per share (expressed in naira per share)	0.90	0.94

17 **Cash and cash equivalents**

	Group	Group	Parent	Parent
<i>In thousands of Nigerian Naira</i>	Mar-2016	Dec-2015	Mar-2016	Dec-2015
Cash in hand	44,054,202	33,365,573	30,471,025	27,097,102
Balances held with other banks	150,727,526	146,072,187	101,816,066	100,404,743
Unrestricted balances with central banks	20,111,413	40,213,238	9,246,756	25,453,036
Money market placements	95,012,924	34,982,217	73,376,403	20,178,228
	309,906,065	254,633,215	214,910,250	173,133,109

18 **Financial assets held for trading**

	Group	Group	Parent	Parent
<i>In thousands of Nigerian Naira</i>	Mar-2016	Dec-2015	Mar-2016	Dec-2015
Trading bonds	2,908,829	16,407,536	2,908,829	16,407,536
Trading treasury bills	21,290,480	18,218,650	13,483,179	8,668,082
	24,199,309	34,626,186	16,392,008	25,075,618

19 **Investment securities**

	Group	Group	Parent	Parent
<i>In thousands of Nigerian Naira</i>	Mar-2016	Dec-2015	Mar-2016	Dec-2015
(a) (i) Available for sale investment securities				
Treasury bills	307,936,335	351,013,081	270,497,095	317,510,416
Bonds	14,123,741	3,086,691	12,597,577	-
Corporate bond	7,513,530	5,858,271	7,513,530	5,858,271
Equity securities at fair value (See note 19(a)(ii) below)	4,116,988	4,116,988	4,116,988	4,116,988
Unquoted equity securities at cost (see note 19(c) below)	3,090,178	3,560,097	3,085,126	3,555,125
	336,780,772	367,635,128	297,810,316	331,040,800
Specific impairment for equities (see note 19(b) below)	(3,454,978)	(3,454,978)	(3,454,978)	(3,454,978)
Total available for sale investment securities	333,325,794	364,180,150	294,355,338	327,585,822
Held to maturity investment securities				
Bonds	8,872,231	9,026,462	3,104,442	3,210,575
Treasury bills	18,361,883	20,182,533	-	-
Corporate bond	-	199,050	-	-
Total held to maturity investment securities	27,234,114	29,408,045	3,104,442	3,210,575
Total investment securities	360,559,908	393,588,195	297,459,780	330,796,397

(a) (ii) Unquoted equity securities at fair value is analysed below:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
SMEIS investment:				
- Sokoa Chair Centre	107,214	107,214	107,214	107,214
- Iscare Nigeria Ltd	74,744	74,744	74,744	74,744
- Central Securities Clearing System	129,547	129,547	129,547	129,547
- 3 Peat Investment Ltd	1,016,032	1,016,032	1,016,032	1,016,032
	1,327,537	1,327,537	1,327,537	1,327,537
Other unquoted equity investment:				
- Unified Payment Services Limited ¹	168,898	168,898	168,898	168,898
- Nigeria Automated Clearing Systems	379,590	379,590	379,590	379,590
- Afrexim	296,458	296,458	296,458	296,458
- Africa Finance Corporation	1,944,505	1,944,505	1,944,505	1,944,505
	2,789,451	2,789,451	2,789,451	2,789,451
Total fair value of equity securities	4,116,988	4,116,988	4,116,988	4,116,988
Specific impairment for equities	(508,016)	(508,016)	(508,016)	(508,016)
	3,608,972	3,608,972	3,608,972	3,608,972

¹ Unified Payment Services Limited was formerly known as Valucard Nigeria Plc.

(b) **Specific impairment for equities**

Movement in specific impairment for equities during the year is as shown below:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Balance at 1 January	3,454,978	3,457,978	3,454,978	3,457,978
- Charge for the period	-	(3,000)	-	(3,000)
Balance, end of the period	3,454,978	3,454,978	3,454,978	3,454,978

The Bank would only lose cost of investment if decline in value is considered significant or prolonged.

Specific impairment for equities is further analysed by classification below:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Specific impairment on equity securities at fair value	508,016	508,016	508,016	508,016
Specific impairment on equity securities at cost	2,946,962	2,946,962	2,946,962	2,946,962
	3,454,978	3,454,978	3,454,978	3,454,978

(c) Unquoted equity securities at cost relates to the banks investment in SMEEIS and equity investments:

Unquoted equity securities is analysed below:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
<i>SMEEIS investment:</i>				
- Forrilon Translantic Ltd	1,080,851	1,080,851	1,080,851	1,080,851
- TerraKulture ltd	-	469,999	-	469,999
- Ruqayya Integrated Farms	40,500	40,500	40,500	40,500
- National E-Government Strategy	25,000	25,000	25,000	25,000
- Bookcraft Ltd	20,000	20,000	20,000	20,000
- Shonga F.H. Nigeria Ltd	200,000	200,000	200,000	200,000
- Safe Nigeria Ltd	350,000	350,000	350,000	350,000
- CRC Credit Bureau	61,111	61,111	61,111	61,111
- Cards Technology Limited	265,000	265,000	265,000	265,000
- Thisday Events Center	500,000	500,000	500,000	500,000
- HITV Limited	500,000	500,000	500,000	500,000
- SCC Algon Ltd	42,664	42,664	42,664	42,664
Cost of SMIEES investment	3,085,126	3,555,125	3,085,126	3,555,125
Less specific impairment for equities	(2,946,962)	(2,946,962)	(2,946,962)	(2,946,962)
Carrying value of SMIEES investment	138,164	608,163	138,164	608,163
<i>Other unquoted equity investment:</i>				
- GIM UEMOA	5,052	4,972	-	-
Cost of other unquoted equity investment	5,052	4,972	-	-
Less specific impairment for equities	-	-	-	-
Carrying value of other unquoted equity investment	5,052	4,972	-	-
Total cost of unquoted equity investment	3,090,178	3,560,097	3,085,126	3,555,125
Total impairment of unquoted equity investment	(2,946,962)	(2,946,962)	(2,946,962)	(2,946,962)
Total carrying value of unquoted equity investment	143,216	613,135	138,164	608,163

Fair values of certain SMEEIS and Other long term investments which are borne out of regulatory requirement in force as at the time of investment cannot be measured reliably because there are no active market for these financial instruments; they have therefore been disclosed at cost less impairment..

Their impairment was based on the observable data from the environment which suggests that the recoverable amount will be much lower than the carrying value of these investments; hence, they are carried at cost less impairment and included in Level 3 of the Fair Value hierarchy table.

The Group is willing to divest from these entities if willing buyers come across and upon obtaining appropriate regulatory approvals since the regulation that led to their creation has been abolished.

The Group does not have power to influence the returns from the investees. Consequently, the Group is of the opinion that it does not have power over the investees investments because of the following:

- There are no material transactions between the Group and the entities and it does not participate in the policy making processes owing to the nature of these entities.
- The Group does not provide essential technical information to the entities.
- There is no inter-change of personnel between the Group and the entities.
- Although the Group is represented in some of the boards, these representations do not connote any form of control or significant influence because most of the entities do not hold regular board meetings and are run like sole proprietorship businesses.

20 Assets pledged as collateral

(a)	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
<i>In thousands of Nigerian Naira</i>				
Financial assets held for trading	-	8,507	-	-
- Treasury bills	-	8,507	-	-
Investment Securities - available for sale (See note (c) below):	60,278,582	61,946,270	60,278,582	61,946,270
- Treasury bills	60,278,582	61,946,270	60,278,582	61,946,270
	60,278,582	61,954,777	60,278,582	61,946,270

- (b) Assets pledged as collateral for both periods relate to assets pledged to Federal Inland Revenue Service (FIRS), Nigerian Interbank Settlement System (NIBSS), Interswitch Nigeria Limited, Unified payment Services Ltd and Bank Of Industries Limited for collections and other transactions.
- (c) Treasury Bills pledged as collateral of N60,278,582,000 (December 2015: N61,946,270,000) have been reclassified from available for sale and trading investment securities at fair value.
- (d) Assets pledged as collateral are based on prices in an active market.

21 Loans and advances to banks

	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
<i>In thousands of Nigerian Naira</i>				
Loans and advances to banks	639,081	1,051,785	639,081	639,081
Less specific allowances for impairment	-	-	-	-
Less collective allowances for impairment	(264)	(264)	(264)	(264)
	638,817	1,051,521	638,817	638,817

22 Loans and advances to customers

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Loans	1,152,209,760	1,135,404,026	1,071,915,159	1,055,304,247
Overdraft	161,931,740	171,825,003	129,483,658	149,708,261
Others ¹	32,140,405	49,984,292	35,104,355	49,892,793
Performing Loans	1,346,281,905	1,357,213,321	1,236,503,172	1,254,905,301
Non-Performing Loans	48,936,000	45,061,244	44,603,701	36,610,927
Gross Loans	1,395,217,905	1,402,274,565	1,281,106,873	1,291,516,228
Specific Impairment	(21,034,553)	(21,960,313)	(17,568,485)	(18,919,422)
Collective Impairment	(11,360,877)	(8,388,705)	(10,313,369)	(7,389,363)
Total Impairment	(32,395,430)	(30,349,018)	(27,881,854)	(26,308,785)
Net Loans	1,362,822,475	1,371,925,547	1,253,225,019	1,265,207,443

¹Others include Usance and Usance Settlement

23 Investment in subsidiaries

(a) Investment in subsidiaries comprises:

	Parent Mar-2016 % ownership	Parent Dec-2015 % ownership	Parent Mar-2016 ₦'000	Parent Dec-2015 ₦'000
GTB Gambia	77.81	77.81	574,278	574,278
GTB Sierra Leone	84.24	84.24	594,109	594,109
GTB Ghana	97.94	95.37	9,042,739	8,572,446
GTB Finance B.V.	100.00	100.00	3,220	3,220
GTB UK Limited	100.00	100.00	9,597,924	9,597,924
GTB Liberia Limited	99.43	99.43	1,947,264	1,947,264
GTB Cote D'Ivoire Limited	100.00	100.00	5,077,458	3,485,058
GTB Kenya Limited	70.00	70.00	17,131,482	17,131,482
			43,968,474	41,905,781

(a) (i) The movement in investment in subsidiaries during the year is as follows:

<i>In thousands of Nigerian Naira</i>	Parent Mar-2016	Parent Dec-2015
Balance, beginning of the period	41,905,781	40,130,284
Disposal during the period	-	-
Additions during the period	2,062,693	1,775,497
Balance, end of the period	43,968,474	41,905,781

Condensed results of consolidated entities

(b) Condensed results of the consolidated entities as at 31 March 2016, are as follows:

Full year profit and loss

Mar-2016

<i>In thousands of Nigerian Naira</i>	<i>Staff Investment Trust</i>	<i>GTB Finance B.V.</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>	<i>GT Bank Cote D'Ivoire</i>	<i>GT Bank Kenya</i>
Operating income	-	334,322	2,519,520	919,339	502,478	571,038	732,541	182,424	1,873,956
Operating expenses	-	(334,322)	(1,006,882)	(386,178)	(341,444)	(497,114)	(373,456)	(206,493)	(1,416,238)
Loan impairment charges	-	-	(327,155)	(5,572)	(9,669)	-	(8,178)	-	(25,367)
<i>Profit before tax</i>	-	-	1,185,483	527,589	151,365	73,924	350,907	(24,069)	432,351
Taxation	-	-	(478,638)	(158,277)	-	-	(105,271)	-	(134,585)
<i>Profit after tax</i>	-	-	706,845	369,312	151,365	73,924	245,636	(24,069)	297,766

Condensed financial position

Mar-2016

<i>In thousands of Nigerian Naira</i>	<i>Staff Investment Trust</i>	<i>GTB Finance B.V.</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>	<i>GT Bank Cote D'Ivoire</i>	<i>GT Bank Kenya</i>
Assets									
Cash and cash equivalents	55,874	4,729	20,468,749	7,162,151	10,205,213	52,749,812	7,453,786	1,637,131	10,210,572
Loans and advances to banks	-	-	-	-	-	-	-	-	-
Loans and advances to customers	-	158,497,068	32,987,868	8,053,316	6,567,624	18,277,711	4,842,057	3,141,970	38,690,859
Financial assets held for trading	-	-	-	-	-	-	7,807,301	-	-
Investment securities:									
– Available for sale	4,754,156	-	-	8,683,864	-	12,788,103	1,526,164	5,052	15,967,272
– Held to maturity	-	-	10,086,190	-	986,149	-	-	3,133,432	9,923,901
Investment in subsidiaries	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	-	-	-	-	-	-	-	-	-
Property and equipment	-	-	1,668,148	951,585	911,584	454,950	1,585,152	715,064	2,281,086
Intangible assets	-	-	125,506	208	20,864	37,772	29,278	55,754	1,153,729
Deferred tax assets	-	-	-	-	-	283,607	-	-	760,253
assets	-	-	6,096,623	365,688	2,488,799	297,177	505,391	319,238	2,696,871
Total assets	4,810,030	158,501,797	71,433,084	25,216,812	21,180,233	84,889,132	23,749,129	9,007,641	81,684,543
Financed by:									
Deposits from banks	-	-	2,045,385	-	-	34,929,339	3,100,317	32,339	6,559,187
Deposits from customers	-	-	51,762,815	19,333,580	15,990,641	40,623,822	12,582,468	4,801,236	56,941,719
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-
Debt securities issued	-	157,059,096	-	-	-	-	-	-	393,960
Current income tax liabilities	-	-	(151,998)	156,815	45,062	-	58,285	-	128,843
Deferred tax liabilities	-	-	40,313	3,109	-	-	(147,263)	-	187,078
Other liabilities	8,136,942	-	1,743,267	1,772,510	527,979	473,853	5,255,879	712,558	1,650,588
Other borrowed funds	2,963,949	-	3,013,663	-	1,254,015	-	-	-	164,033
Total liabilities	11,100,891	157,059,096	58,453,445	21,266,014	17,817,697	76,027,014	20,849,686	5,546,133	66,025,408
Equity and reserve	(6,290,861)	1,442,701	12,979,639	3,950,798	3,362,536	8,862,118	2,899,443	3,461,508	15,659,135
	4,810,030	158,501,797	71,433,084	25,216,812	21,180,233	84,889,132	23,749,129	9,007,641	81,684,543

Condensed cash flow
Mar-2016

<i>In thousands of Nigerian Naira</i>	<i>Staff Investment Trust</i>	<i>GTB Finance B.V.</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>	<i>GT Bank Cote D'Ivoire</i>	<i>GT Bank Kenya</i>
Net cash flow:									
- from operating activities	-	22,677,184	(4,248,636)	(81,188)	2,448,357	4,903,248	2,867,077	2,036,015	275,427
- from investing activities	-	-	2,798,413	(1,115,231)	849,663	(2,999,725)	(52,638)	(1,254,089)	(657,077)
- from financing activities	-	(22,677,184)	(221,153)	(10,897)	1,254,015	-	(2,698,271)	-	(658)
Increase in cash and cash equivalents	-	-	(1,671,376)	(1,207,316)	4,552,035	1,903,523	116,168	781,926	(382,308)
Cash balance, beginning of period	55,874	4,729	22,364,533	9,449,243	5,653,178	52,137,389	7,632,855	853,821	10,519,188
Effect of exchange difference	-	-	(224,409)	(1,079,776)	-	(1,291,102)	(295,237)	1,384	73,691
Cash balance, end of period	55,874	4,729	20,468,748	7,162,151	10,205,213	52,749,810	7,453,786	1,637,131	10,210,571

Condensed results of the consolidated entities as at 31 March 2015, are as follows:

Mar-2015

<i>In thousands of Nigerian Naira</i>	<i>Staff Investment Trust</i>	<i>GTB Finance B.V.</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>	<i>GT Bank Cote D'Ivoire</i>	<i>GT Bank Kenya</i>
Condensed profit and loss									
Operating income	-	-	2,345,636	918,814	411,258	516,505	508,746	72,616	1,637,673
Operating expenses	-	-	(984,407)	(430,611)	(285,917)	(516,030)	(309,528)	(169,353)	(1,287,977)
Loan impairment charges	-	-	15,216	(64,537)	(17,078)	-	20,739	-	20,259
<i>Profit before tax</i>	-	-	1,376,445	423,666	108,263	475	219,957	(96,737)	369,955
Taxation	-	-	(633,856)	(127,100)	-	-	(70,387)	-	(114,939)
<i>Profit after tax</i>	-	-	742,589	296,566	108,263	475	149,570	(96,737)	255,016

Condensed financial position

Dec-2015

<i>In thousands of Nigerian Naira</i>	<i>Staff Investment Trust</i>	<i>GTB Finance B.V.</i>	<i>GT Bank Ghana</i>	<i>GT Bank Sierra Leone</i>	<i>GT Bank Liberia</i>	<i>GT Bank UK</i>	<i>GT Bank Gambia</i>	<i>GT Bank Cote D'Ivoire</i>	<i>GT Bank Kenya</i>
Assets									
Cash and cash equivalents	55,874	4,729	22,364,533	9,449,243	5,653,178	52,137,389	7,632,855	853,821	10,519,188
Loans and advances to banks	-	-	-	-	-	81,230	-	331,474	-
Loans and advances to customers	-	181,174,252	33,457,184	7,761,951	6,456,677	17,016,920	4,895,479	1,981,757	38,112,086
Financial assets held for trading	-	-	-	-	-	-	9,550,568	-	-
Investment securities:									
– Available for sale	4,754,156	-	-	8,853,424	-	10,150,343	1,678,884	4,972	15,906,704
– Held to maturity	-	-	13,344,690	-	1,856,778	-	-	1,839,679	9,156,323
Investment in subsidiaries	-	-	-	-	-	-	-	-	-
Assets pledged as collateral	-	-	-	-	-	-	-	8,507	-
Property and equipment	-	-	1,478,175	1,112,066	934,356	424,870	1,668,143	725,527	2,452,899
Intangible assets	-	-	105,894	-	22,165	4,701	33,142	63,303	1,142,462
Deferred tax assets	-	-	110,933	33,169	-	301,170	-	-	752,447
Other assets	-	-	1,363,768	269,079	2,309,994	289,633	380,875	148,173	1,282,276
Total assets	4,810,030	181,178,981	72,225,177	27,478,932	17,233,148	80,406,256	25,839,946	5,957,213	79,324,385
Financed by:									
Deposits from banks	-	-	5,207,081	-	-	36,795,900	204,253	99,628	11,052,939
Deposits from customers	-	-	50,028,317	21,964,190	12,240,086	34,206,328	14,278,044	3,848,227	51,262,176
Debt securities issued	-	179,736,280	-	-	-	-	-	-	381,144
Current income tax liabilities	-	-	(153,679)	409,330	45,058	-	68,478	-	(160,027)
Deferred tax liabilities	-	-	151,698	-	-	-	160,909	-	181,142
Other liabilities	8,136,942	-	1,317,874	967,480	1,689,853	387,275	5,796,775	214,401	1,142,053
Other borrowed funds	2,963,949	-	3,270,193	-	-	-	2,836,644	-	172,051
Total liabilities	11,100,891	179,736,280	59,821,484	23,341,000	13,974,997	71,389,503	23,345,103	4,162,256	64,031,478
Equity and reserve	(6,290,861)	1,442,701	12,403,693	4,137,932	3,258,151	9,016,753	2,494,843	1,794,957	15,292,907
	4,810,030	181,178,981	72,225,177	27,478,932	17,233,148	80,406,256	25,839,946	5,957,213	79,324,385

Mar-2015

<i>In thousands of Nigerian Naira</i>	Staff Investment Trust	GTB Finance B.V.	GT Bank Ghana	GT Bank Sierra Leone	GT Bank Liberia	GT Bank UK	GT Bank Gambia	GT Bank Cote D'Ivoire	GT Bank Kenya
Condensed cash flow									
Net cash flow:									
- from operating activities	-	(3,344,015)	(5,626,499)	(4,534)	(1,706,563)	9,993,950	1,689,942	(148,985)	(3,594,028)
- from investing activities	-	-	1,508,933	(388,149)	(172,260)	616,365	(92,573)	116,449	2,600,707
- from financing activities	-	3,344,015	2,226,417	(373,625)	1,393,560	1	-	-	(1,215)
Increase in cash and cash equivalents	-	-	(1,891,149)	(766,308)	(485,263)	10,610,316	1,597,369	(32,536)	(994,536)
Cash balance, beginning of period	29,980	-	25,623,215					1,096,172	16,728,210
Effect of exchange difference	-	-	(2,207,161)	1,049,357	333,507	1,102,341	(26,894)	(15,387)	654,497
Cash balance, end of period	29,980	-	21,524,905	9,707,068	5,331,421	60,712,538	3,337,294	1,048,249	16,388,171

31 Property and equipment

(a) Group

<i>In thousands of Nigerian Naira</i>	Leasehold improvement and buildings	Leasehold Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress ¹	Total
Cost							
Balance at 1 January 2016	42,863,912	9,334,026	54,717,391	8,610,235	12,569,888	18,477,260	146,572,712
Exchange difference	(169,765)	(21,233)	(131,933)	(56,293)	-	(26,740)	(405,964)
Additions	593,474	(1,099)	589,697	189,089	-	661,565	2,032,726
Disposals	(62,595)	-	(250,950)	(776,721)	-	-	(1,090,266)
Transfers	164,166	42,723	267,164	163,957	-	(638,009)	1
Balance at 31 March 2016	43,389,192	9,354,417	55,191,369	8,130,267	12,569,888	18,474,076	147,109,209
Balance at 1 January 2015	40,057,056	8,904,313	51,109,121	8,378,856	4,228,132	14,541,303	127,218,781
Exchange difference	67,021	26,727	(20,171)	35,819	-	11,485	120,881
Additions	1,361,172	38,236	5,354,491	1,295,008	8,341,756	6,764,582	23,155,245
Disposals	(17,930)	-	(2,595,850)	(1,317,821)	-	9,406	(3,922,195)
Transfers	1,396,593	364,750	869,800	218,373	-	(2,849,516)	-
Balance at 31 December 2015	42,863,912	9,334,026	54,717,391	8,610,235	12,569,888	18,477,260	146,572,712

¹ Capital work in progress refers to capital expenditure incurred on items of Property, Plant and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment (continued)**Group****Depreciation***In thousands of Nigerian Naira*

	Leasehold improvement and buildings	Leasehold Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress	Total
Balance at 1 January 2016	9,161,702	735,342	39,885,651	5,462,806	3,338,433	-	58,583,934
Exchange difference	(56,378)	(3,003)	(115,224)	(37,064)	-	-	(211,669)
Charge for the period	381,189	28,749	1,929,105	331,377	395,633	-	3,066,053
Disposal	(62,595)	-	(318,598)	(731,618)	-	-	(1,112,811)
Balance at 31 March 2016	9,423,918	761,088	41,380,934	5,025,501	3,734,066	-	60,325,507
Balance at 1 January 2015	7,393,261	615,788	35,124,691	5,215,412	2,633,182	-	50,982,334
Exchange difference	22,357	7,045	(4,707)	25,494	-	-	50,189
Charge for the period	1,755,517	112,509	7,361,650	1,482,717	705,251	-	11,417,644
Disposal	(9,433)	-	(2,595,983)	(1,260,817)	-	-	(3,866,233)
Balance at 31 December 2015	9,161,702	735,342	39,885,651	5,462,806	3,338,433	-	58,583,934
Carrying amounts:							
Balance at 31 March 2016	33,965,274	8,593,329	13,810,435	3,104,766	8,835,822	18,474,076	86,783,702
Balance at 31 December 2015	33,702,210	8,598,684	14,831,740	3,147,429	9,231,455	18,477,260	87,988,778

Property and equipment (continued)

(b) Parent

<i>In thousands of Nigerian Naira</i>	Leasehold improvement and buildings	Leasehold Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress ¹	Total
Cost							
Balance at 1 January 2016	37,765,872	8,700,616	47,172,750	7,040,772	12,569,888	17,473,732	130,723,630
Additions	124,078	-	713,065	180,046	-	707,643	1,724,832
Disposals	(62,595)	-	(221,771)	(712,107)	-	-	(996,473)
Transfers	164,167	42,723	267,164	163,957	-	(638,011)	-
Balance at 31 March 2016	37,991,522	8,743,339	47,931,208	6,672,668	12,569,888	17,543,364	131,451,989
Balance at 1 January 2015	35,232,200	8,300,616	44,738,472	7,160,433	4,228,132	13,899,349	113,559,202
Additions	1,260,112	35,250	4,395,832	930,695	8,341,756	6,114,949	21,078,594
Disposals	-	-	-	-	-	-	(3,914,166)
Transfers	1,273,560	364,750	712,101	190,155	-	(2,540,566)	-
Balance at 31 December 2015	37,765,872	8,700,616	47,172,750	7,040,772	12,569,888	17,473,732	130,723,630

¹ Capital work in progress refers to capital expenditure incurred on items of Property, Plant and Equipment which are however not ready for use and as such are not being depreciated.

Property and equipment (continued)**Parent****Depreciation***In thousands of Nigerian Naira*

	Leasehold improvement and buildings	Leasehold Land	Furniture & equipment	Motor vehicle	Aircraft	Capital work-in - progress	Total
Balance at 1 January 2016	7,817,005	657,720	35,145,312	4,572,412	3,338,433	-	51,530,882
Charge for the period	286,497	29,055	1,639,414	300,976	395,633	-	2,651,575
Disposal	(62,595)	-	(202,269)	(681,745)	-	-	(946,609)
Balance at 31 March 2016	8,040,907	686,775	36,582,457	4,191,643	3,734,066	-	53,235,848
Balance at 1 January 2015	6,389,345	545,428	31,369,167	4,579,982	2,633,182	-	45,517,104
Charge for the period	1,427,660	112,292	6,442,557	1,171,197	705,251	-	9,858,957
Disposal	-	-	(2,666,412)	(1,178,767)	-	-	(3,845,179)
Balance at 31 December 2015	7,817,005	657,720	35,145,312	4,572,412	3,338,433	-	51,530,882
Carrying amounts:							
Balance at 31 March 2016	29,950,615	8,056,564	11,348,751	2,481,025	8,835,822	17,543,364	78,216,141
Balance at 31 December 2015	29,948,867	8,042,896	12,027,438	2,468,360	9,231,455	17,473,732	79,192,748

25 Intangible assets

(a) Group

<i>In thousands of Nigerian Naira</i>	Goodwill	Purchased Software	Total
Cost			
Balance at 1 January 2016	8,648,385	9,067,360	17,715,745
Exchange translation differences	418	6,311	6,729
Additions	-	95,646	95,646
Disposals	-	223,983	223,983
Balance at 31 March 2016	8,648,803	9,393,300	18,042,103
Balance at 1 January 2015	8,650,704	10,035,233	18,685,937
Exchange translation differences	(2,319)	(81,432)	(83,751)
Additions	-	1,198,372	1,198,372
Disposals	-	(2,084,813)	(2,084,813)
Balance at 31 December 2015	8,648,385	9,067,360	17,715,745
Amortization and impairment losses			
Balance at 1 January 2016	-	5,245,132	5,245,132
Exchange translation differences	-	569	569
Amortization for the period	-	254,655	254,655
Disposals	-	223,983	223,983
Balance at 31 March 2016	-	5,724,339	5,724,339
Balance at 1 January 2015	-	6,169,718	6,169,718
Exchange translation differences	-	(16,651)	(16,651)
Amortization for the period	-	1,176,878	1,176,878
Disposals	-	(2,084,812)	(2,084,812)
Balance at 31 December 2015	-	5,245,133	5,245,133
Carrying amounts			
Balance at 31 March 2016	8,648,803	3,668,961	12,317,764
Balance at 31 December 2015	8,648,385	3,822,227	12,470,612

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in the year ended Dec 2015 (2014: nil).

(b) Parent

<i>In thousands of Nigerian Naira</i>	Purchased Software
Cost	
Balance at 1 January 2016	6,726,359
Additions	39,537
Balance at 31 March 2016	6,765,896
Balance at 1 January 2015	7,616,866
Additions	1,003,673
Balance at 31 December 2015	6,726,359
Amortization and impairment losses	
Balance at 1 January 2016	4,233,399
Amortization for the period	243,832
Balance at 31 March 2016	4,477,231
Balance at 1 January 2015	5,199,166
Amortization for the period	928,413
Balance at 31 December 2015	4,233,400
Carrying amounts	
Balance at 31 March 2016	2,288,665
Balance at 31 December 2015	2,492,959

26 Restricted deposits and other assets

<i>In thousands of Nigerian Naira</i>	Group	Group	Parent	Parent
	Mar-2016	Dec-2015	Mar-2016	Dec-2015
Prepayments	21,673,160	14,513,586	16,088,973	11,227,930
Foreign Banks - Cash Collateral	14,582,985	7,348,576	14,521,801	7,348,576
Restricted deposits with central banks	395,098,829	276,458,798	386,946,279	273,873,799
Recognised assets for defined benefit obligations (See note 32)	5,095,333	5,095,333	5,095,333	5,095,333
	436,450,307	303,416,293	422,652,386	297,545,638
Impairment on other assets	(305,556)	(305,556)	(305,556)	(305,556)
	436,144,751	303,110,737	422,346,830	297,240,082

27 Deposits from banks

<i>In thousands of Nigerian Naira</i>	Group	Group	Parent	Parent
	Mar-2016	Dec-2015	Mar-2016	Dec-2015
Money market deposits	11,704,888	15,314,439	-	-
Other deposits from banks	20,233,974	10,942,400	198,012	39,941
	31,938,862	26,256,839	198,012	39,941

28 Deposits from customers

<i>In thousands of Nigerian Naira</i>	Group	Group	Parent	Parent
	Mar-2016	Dec-2015	Mar-2016	Dec-2015
Term deposits	486,841,425	446,472,096	439,768,581	397,636,612
Current deposits	916,271,898	831,096,297	804,269,595	728,997,152
Savings	373,701,591	332,781,296	330,766,944	295,916,361
	1,776,814,914	1,610,349,689	1,574,805,120	1,422,550,125

29 Financial liabilities held for trading

<i>In thousands of Nigerian Naira</i>	Group	Group	Parent	Parent
	Mar-2016	Dec-2015	Mar-2016	Dec-2015
Treasury bills short positions	244,352	-	244,352	-
	244,352	-	244,352	-

30 Debt securities issued

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Debt securities at amortized cost:				
Eurobond debt security	157,059,096	179,736,280	-	-
Corporate bonds	393,960	381,144	-	-
	157,453,056	180,117,424	-	-

31 Other liabilities

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Cash settled share based payment liability	8,136,942	8,136,942	-	-
Liability for defined contribution obligations	65,080	28,218	-	-
Deferred income on financial guarantee contracts	59,491	108,730	44,138	37,727
Certified cheques	9,822,956	9,575,247	6,997,203	7,042,979
Lease obligation	1,708,886	1,915,400	1,708,886	1,915,400
Customers' deposit for foreign trade	14,902,338	7,343,801	14,671,051	7,343,801
Other current liabilities	32,164,203	33,660,685	23,182,847	24,957,595
Customers deposit for shares of other Corporates				
	71,914,137	104,605,713	51,656,283	85,126,211

32 Defined benefit obligations

The Bank operates a non-contributory, funded lump sum defined benefit gratuity scheme. Employees are automatically admitted into the scheme after completing 10 consecutive years of service with the Bank. Employees' terminal benefits are calculated based on number of years of continuous service, limited to a maximum of 10 years. The defined benefit obligation valuation was carried out by Alexander Forbes Consulting Actuaries.

- (a) The amounts recognised in the statement of financial position are as follows:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Unfunded obligations	-	-	-	-
Present value of funded obligations	(3,178,414)	(3,178,414)	(3,178,414)	(3,178,414)
Total present value of defined benefit obligations	(3,178,414)	(3,178,414)	(3,178,414)	(3,178,414)
Fair value of plan assets	8,273,747	8,273,747	8,273,747	8,273,747
Present value of net asset/(obligations)	5,095,333	5,095,333	5,095,333	5,095,333
Unrecognized actuarial gains and losses	-	-	-	-
Recognized asset/(liability) for defined benefit obligatio	5,095,333	5,095,333	5,095,333	5,095,333

The bank has a right to surplus on its plan assets. There are no unrecognized actuarial gains and losses.

Recognised asset for defined benefit obligations is included within Restricted deposits and other assets in note 26

- (b) **Movement in the present value of defined benefit obligations:**

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
(Deficit)/surplus on defined benefit obligations, beginning of period	5,095,333	5,647,099	5,095,333	5,647,099
Net (Expense) / Income recognised in Profit and Loss ¹	-	754,440	-	754,440
Re-measurements recognised in Other Comprehensive Income ²	-	(1,342,734)	-	(1,342,734)
Contributions paid	-	36,528	-	36,528
(Deficit)/surplus for defined benefit obligations, end of period	5,095,333	5,095,333	5,095,333	5,095,333

¹Net (Expense) / Income recognised in Profit and Loss is analysed below:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Interest cost on Net defined benefit obligation ^a	-	738,070	-	738,070
Current service costs	-	(78,067)	-	(78,067)
	-	660,003	-	660,003

^aInterest cost on Net Defined benefit Obligation is analysed below:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Interest income on assets	-	1,184,156	-	1,184,156
Interest cost on defined benefit obligation	-	(351,649)	-	(351,649)
	-	832,507	-	832,507

²Remeasurements recognised in Other Comprehensive income is analysed below:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Mar-2015	Parent Mar-2016	Parent Mar-2015
Return on plan assets, excluding amounts included in interest expense/income	-	(857,767)	-	(857,767)
Gain/(loss) from change in financial assumptions	-	742,172	-	742,172
Gain/(loss) from change in demographic assumptions	-	(1,227,139)	-	(1,227,139)
	-	(1,342,734)	-	(1,342,734)

(c) Plan assets consist of the following:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Equity securities:				
- Quoted	1,978,787	1,978,787	1,978,787	1,978,787
- Unquoted	-	-	-	-
Government securities				
- Quoted	-	-	-	-
- Unquoted	473,990	473,990	473,990	473,990
Offshore investments				
- Quoted	1,612,172	1,612,172	1,612,172	1,612,172
- Unquoted	-	-	-	-
Cash and bank balances				
- Quoted	-	-	-	-
- Unquoted	4,208,798	4,208,798	4,208,798	4,208,798
	8,273,747	8,273,747	8,273,747	8,273,747

Group*In thousands of Nigerian Naira*

	Mar-2016		Dec-2015	
Equity securities	1,978,787	23%	1,978,787	23%
Government securities	473,990	6%	473,990	6%
Offshore investments	1,612,172	19%	1,612,172	19%
Cash and bank balances	4,208,798	51%	4,208,798	51%
	8,273,747	100%	8,273,747	100%

Parent*In thousands of Nigerian Naira*

	Mar-2016		Dec-2015	
Equity securities	1,978,787	23%	1,978,787	23%
Government securities	473,990	6%	473,990	6%
Offshore investments	1,612,172	19%	1,612,172	19%
Cash and bank balances	4,208,798	51%	4,208,798	51%
	8,273,747	100%	8,273,747	100%

The defined benefit plan assets are under the management of custodians - Crusader Sterling Pension Limited

Plan assets are valued at current market value. The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the date of the consolidated statement of financial position. Expected returns on equity reflect long-term real rates of return experienced in the respective markets.

(d) Movement in plan assets:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Fair value of plan assets, beginning of the period	8,273,747	7,947,358	8,273,747	7,947,358
Contributions paid into/(withdrawn from) the plan	-	36,528	-	36,528
Benefits paid by the plan	-	(36,528)	-	(36,528)
Actuarial gain/(loss)	-	(857,767)	-	(857,767)
Expected return on plan assets	-	1,184,156	-	1,184,156
Fair value of plan assets, end of the period	8,273,747	8,273,747	8,273,747	8,273,747

Actual return on plan asset is made up of expected return on plan assets and actuarial gains / losses

(e) Movement in present value of obligations:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Present value of obligation, beginning of the period	3,229,892	2,300,259	3,229,892	2,300,259
Interest cost	-	351,649	-	351,649
Current service cost	-	129,545	-	129,545
Past service cost - non-vested benefits	-	-	-	-
Past service cost - vested benefits	-	-	-	-
Benefits paid	-	(36,528)	-	(36,528)
Actuarial (gain)/loss on obligation	-	484,967	-	484,967
Present value of obligation at end of the period	3,229,892	3,229,892	3,229,892	3,229,892

(f) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2015	2014
Discount rate	14.90%	14.90%
Salary increase rate	10%	10%
Inflation	8%	8%
Retirement age for both male and female	60 years	60 years
Withdrawal Rate: 18 – 29	4.5%	4.5%
Withdrawal Rate: 30 – 44	6.0%	6.0%
Withdrawal Rate: 45 – 50	5.0%	5.0%
Withdrawal Rate: 51	4.5%	4.5%
Withdrawal Rate: 52	4.0%	4.0%
Withdrawal Rate: 53	3.5%	3.5%
Withdrawal Rate: 54	3.0%	3.0%
Withdrawal Rate: 55	2.5%	2.5%
Withdrawal Rate: 56	2.0%	2.0%
Withdrawal Rate: 57	1.5%	1.5%
Withdrawal Rate: 58	1.0%	1.0%
Withdrawal Rate: 59	0.5%	0.5%
Withdrawal Rate: 60	100.0%	100.0%

Assumptions regarding future mortality before retirement are based on A1949/52 ultimate table published by the Institute of Actuaries of United Kingdom.

The overall expected long-term rate of return on assets is 11.4%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based entirely on current market yields on Nigerian Government Bonds. The component of the rate of remuneration increase based on seniority and promotion is an average of 5% per annum. The inflation component has been worked out at 8% per annum.

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.

(g) Defined Benefit Risk Management

The Group's exposure to risks through its defined benefit plan is mitigated through a number of strategies. Most important of them is the asset-liability matching strategy. Thus, fluctuations in macro-economic variables have minimal impact on its exposure to the plan.

Over the years, the Group not only ensures that it has sufficient plan assets to fund its defined benefit obligation but also adopts a robust strategy that ensures that the macro-economic variables affecting the obligations are similar to those of the plan assets. The significant risks inherent in the Group's defined benefit plan are detailed below:

Asset volatility

Post employment benefit obligations are calculated using a discount rate determined with reference to market yields on high quality bonds. The Group ensures that the plan assets do not underperform this yield. This is achieved through maintaining an efficient portfolio of investments in plan assets significantly made up of high quality equities and government securities. Consequently, the yield on the Group's plan assets has consistently outperformed interest cost on plan obligations. The Group also ensures that as tenured investments in plan assets mature, they are replaced with top quality investments which better match the liabilities.

Overall, the Group's defined benefit investment strategy aims at reducing investment risks while maintaining the right mix of investments in high quality equities, debt and near cash instruments void of impairment threats. The choice of investment in equities stems from the long term nature of the Group's defined benefit plan and expected maturity of the plan's liabilities.

Changes in bond yields

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation. A decrease in Nigerian Government Bond yields will increase the plan's liabilities. However, this growth is offset by an increase in the value of the plan assets.

Inflation risk

We believe this is less a material risk given the accretion to the Group's plan assets arising from continuous contribution to the plan and improved yield. Growth in inflation, all other things being equal, should lead to increased basic salaries (which is an important determinant of the Group's defined benefit liability) and consequently higher plan liabilities. This growth in liabilities should be offset with increased plan assets.

33 Other borrowed funds

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Due to IFC	59,185,512	61,254,296	59,021,479	58,245,601
Due to ADB	7,025,307	8,921,850	7,025,307	8,921,850
Due to FMO	3,013,663	3,270,193	-	-
Due to BOI	46,104,769	47,568,133	46,104,769	47,568,133
Due to GTBV	-	-	157,059,096	179,736,280
Due to CACS	16,140,270	14,140,270	16,140,270	14,140,270
Due to Proparco	11,364,129	11,109,588	10,110,114	11,109,588
MSME Development Fund	506,500	398,000	506,500	398,000
State Government Bail Out Fund	13,291,653	13,460,578	13,291,653	13,460,578
Excess Crude Account -Secured Loans Fund	4,992,514	5,000,000	4,992,514	5,000,000
	161,624,317	165,122,908	314,251,702	338,580,300

34 Capital and reserves

Share capital

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 Group. All ordinary shares and GDR shares rank pari-passu with the same rights and benefits at meetings of the Group.

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
(a) Authorised - 50,000,000,000 ordinary shares of 50k each (31 December 2015: 50,000,000,000 of 50k each)	25,000,000	25,000,000	25,000,000	25,000,000

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
(b) Issued and fully paid: 29,431,179,224 ordinary shares of 50 kobo each (31 December 2015: 29,431,179,224 ordinary shares of 50k each)	14,715,590	14,715,590	14,715,590	14,715,590

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
26,330,575,837 ordinary shares (Non-GDR) of 50k each (31 December 2015: 26,330,575,837)	13,165,288	13,165,288	13,165,288	13,165,288
3,100,603,387 ordinary shares (GDR) of 50k each (31 December 2015: 3,100,603,387)	1,550,302	1,550,302	1,550,302	1,550,302
	14,715,590	14,715,590	14,715,590	14,715,590

The movement on the value of issued and fully paid-up share capital (Non GDR and GDR) account during the year was as follows:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Balance, beginning of period	14,715,590	14,715,590	14,715,590	14,715,590
Increase in the period	-	-	-	-
Balance, end of period	14,715,590	14,715,590	14,715,590	14,715,590

Share capital

Movement in the components of share capital is as shown below:

	Number of shares (thousands)	Ordinary shares	Share premium	Treasury shares
At January 2015	29,431,180	14,715,590	123,471,114	(3,987,575)
(Purchases)/sales of treasury shares	-	-	-	(766,581)
At 31 December 2015/1 January 2016	29,431,180	14,715,590	123,471,114	(4,754,156)
At 31 March 2016	29,431,180	14,715,590	123,471,114	(4,754,156)

(vii) **Non-controlling interest**

The analysis of non-controlling interest per subsidiary is as shown below:

	Group Mar-2016	Group Dec-2015	Group Mar-2016	Group Dec-2015
	%	%	₦'000	₦'000
GTB (Gambia) Limited	22.19	22.19	632,858	537,421
GTB (Sierra Leone) Limited	15.76	15.76	647,085	645,034
GTB (Ghana) Limited	2.06	4.63	270,949	597,485
GTB Liberia	0.57	0.57	19,134	18,476
GTB Kenya Limited	30.00	30.00	4,681,664	4,590,133
			6,251,690	6,388,549

35 Dividends

The following dividends were declared and paid by the Group during the period ended:

<i>In thousands of Nigerian Naira</i>	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Balance, beginning of period	-	-	-	-
Final dividend declared	-	44,146,768	-	44,146,768
Interim dividend declared	-	7,357,795	-	7,357,795
Payment during the period	-	(51,504,563)	-	(51,504,563)
Balance, end of period	-	-	-	-

36 Leasing**As lessor**

The Group acts as lessee under operating and finance leases, providing financing for its customers and leasing assets for their own use. In addition, assets leased by the Group may be sublet to other parties. Details of finance lease commitments have been included in other liabilities. The Group had nil balance for the period ended 30th June 2015 and comparative period.

As lessee**Operating lease commitments**

The Group leases offices, branches and other premises under operating lease arrangements. The leases have various terms and renewal rights. The lease rentals are paid in advance and recognised on straight line basis over the lease period. The outstanding balance is accounted for as prepaid lease rentals. There are no contingent rents payable.

37 Contingencies

Contingent liabilities and commitments

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

Nature of instruments

An acceptance is an undertaking 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 customs and performances bond and are, generally, commitments to third parties which are not directly dependent on the customer's creditworthiness. Documentary credits commit the Group to make payments to third parties, are on production of documents, which usually reimbursed immediately by customers. The following tables summarise the nominal principal amount of contingent liabilities and commitments with off-financial position risk.

Acceptances, bonds, guarantees and other obligations for the account of customers:

These comprise:

In thousands of Nigerian Naira	Group Mar-2016	Group Dec-2015	Parent Mar-2016	Parent Dec-2015
Contingent liabilities:				
Acceptances and guaranteed commercial papers	-	-	-	-
Transaction related bonds and guarantees	387,168,220	463,573,112	382,413,627	454,123,077
	387,168,220	463,573,112	382,413,627	454,123,077
Commitments:				
Short term foreign currency related transactions	-	3,367,750	-	-
Clean line facilities and letters of credit	67,754,422	84,713,490	58,937,720	73,260,543
Other commitments	4,365,889	12,766,126	-	-
	72,120,311	100,847,366	58,937,720	73,260,543

Key Financials (N' billion)	Mar-16	Mar-15	Δ%
Net Interest Income	40.8	39.2	4%
Non Interest Income	19.6	24.1	-19%
Operating Income	56.4	58.8	-4%
Operating expense	25.7	26.2	-2%
Profit before tax	30.7	32.7	-6%
Profit after tax	25.6	26.6	-4%
Total Assets	2,655.6	2,484.8	7%
Net Loans	1,362.8	1,300.5	5%
Total Deposits	1,808.8	1,688.5	7%

Key Ratios	Mar-16	Mar-15
ROE (Post tax)	24.19%	29.03%
ROA (Post tax)	3.96%	4.39%
Net interest margin	8.12%	8.21%
Cost-to-income ratio	45.61%	44.50%
Loans-to-Deposits and Borrowings	64.08%	64.35%
Liquidity ratio	36.13%	42.74%
Capital adequacy ratio (Group)	20.25%	19.81%
Capital adequacy ratio (Parent)	18.16%	17.18%
NPL/Total Loans	3.51%	3.06%
Cost of risk	0.25%	0.27%
Coverage (with Reg. Risk Reserves)	176.13%	153.40%