

FSDH MERCHANT BANK LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		BANK	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
ASSETS				
Cash and bank balances	19,432,950	20,693,241	19,085,255	20,615,426
Loans to banks and other financial institutions	12,194,817	12,543,134	11,166,282	10,525,606
Financial instruments held for trading	10,847,525	2,844,359	10,626,858	2,844,336
Derivative financial instruments	-	15,918	-	15,918
Loans and advances to customers	35,775,678	40,264,878	35,351,414	39,677,039
Investment securities	34,983,161	23,210,210	32,195,528	21,713,417
Pledged assets	21,807,050	10,764,082	21,807,050	10,764,082
Other assets	1,627,955	1,491,762	607,145	447,575
Investment in subsidiaries	-	-	961,377	787,010
Retirement benefit asset	431,333	111,258	380,109	87,950
Deferred tax asset	3,582,918	3,586,431	3,629,720	3,633,002
Intangible assets	119,301	138,407	45,157	110,426
Property and equipment	700,564	568,116	402,498	335,317
Total assets	141,313,052	116,231,796	136,258,393	111,557,104
LIABILITIES				
Due to banks and other financial institutions	22,158,574	16,250,311	22,158,574	16,250,311
Due to customers	54,347,925	51,411,624	55,006,019	52,661,649
Derivative financial instruments	-	1,382	-	1,382
Current income tax liability	1,012,172	1,580,788	375,705	920,152
Other liabilities	6,121,459	7,166,429	6,102,615	6,661,732
Debt securities issued	13,074,816	5,630,676	13,074,816	5,630,676
Other borrowed funds	16,729,278	3,948,697	16,729,278	3,948,697
Total liabilities	113,444,224	85,989,907	113,447,007	86,074,599
EQUITY				
Share capital	2,794,794	2,794,794	2,794,794	2,794,794
Share premium	1,539,587	1,539,587	1,539,587	1,539,587
Treasury share reserve	(497,653)	(450,040)	-	-
Retained earnings	19,267,126	18,922,897	15,632,019	15,344,788
Statutory reserve	5,579,308	5,026,490	5,077,345	4,650,947
Available for sale reserve	(2,751,665)	175,741	(2,828,529)	154,108
Credit risk reserve	596,170	998,281	596,170	998,281
	26,527,667	29,007,740	22,811,386	25,482,505
Non-controlling interest in equity	1,341,161	1,234,149	-	-
Total equity	27,868,828	30,241,889	22,811,386	25,482,505
Total equity and liabilities	141,313,052	116,231,796	136,258,393	111,557,104

The financial statements were approved by the board of directors on 21 April 2017, and signed on their behalf by:

	
Osaro Isokpan Chairman	Hamda Ambah Managing Director
FRC/2013/NBA/00000005406	FRC/2013/CISN/00000001749


Wasiu Shafe Chief Financial Officer
FRC/2015/CAN/00000012973

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		BANK	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Interest and similar income	12,919,765	14,377,928	12,547,415	13,900,314
Interest and similar expense	(9,098,875)	(10,066,110)	(9,162,759)	(10,126,140)
Net interest income	3,820,890	4,311,818	3,384,656	3,774,174
Impairment charge for credit losses	(419,631)	(569,359)	(419,539)	(570,304)
Net interest income after impairment charge for credit losses	3,401,259	3,742,459	2,965,117	3,203,870
Fee and commission income	3,989,755	3,688,022	510,041	457,051
Net gains on financial instruments held for trading	270,095	1,655,418	164,276	1,581,483
Net gains on financial instruments classified as available for sale	680,183	563,590	680,183	563,590
Other income	1,473,022	195,831	2,028,595	713,884
Operating expenses	(5,947,200)	(5,129,218)	(3,399,829)	(3,142,301)
Profit before tax	3,867,114	4,716,102	2,948,383	3,377,577
Income tax (expense)/credit	(601,517)	(621,509)	(105,730)	1,659
Profit after tax	3,265,597	4,094,593	2,842,653	3,379,236
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gains/(losses) in defined gratuity scheme (net of tax)	93,406	(134,950)	73,613	(123,904)
Items that may be subsequently reclassified to profit or loss				
- Unrealised net gains/(losses) arising during the period	(3,528,374)	1,099,836	(3,583,605)	1,414,839
- Net reclassification adjustments for realised gains	600,968	690,141	600,968	690,141
Other comprehensive (loss)/income for the year, net of tax	(2,834,000)	1,655,027	(2,909,024)	1,981,076
Total comprehensive income for the year	431,597	5,749,620	(66,371)	5,360,312
Profit after tax attributable to:				
Equity holders of the parent entity:	2,781,285	3,612,894	2,842,653	3,379,236
Non-controlling interest	484,312	481,699	-	-
	3,265,597	4,094,593	2,842,653	3,379,236
Total comprehensive income attributable to:				
Equity holders of the parent entity:	(52,715)	5,267,921	(66,371)	5,360,312
Non-controlling interest	484,312	481,699	-	-
	431,597	5,749,620	(66,371)	5,360,312
Earnings per share per profit attributable to equity holders of the parent bank				
Earnings per share - basic (kobo)	109	141	102	121
Earnings per share - diluted (kobo)	109	141	102	121

The summary financial statement and specific disclosures are published in compliance with the requirements of Section 27 of the Banks and Other Financial Institutions Act.

An electronic copy of the full financial statements can be obtained at www.fsdhgroup.com.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF FSDH MERCHANT BANK LIMITED

Report on the summary consolidated and separate financial statements

Opinion

The summary consolidated and separate financial statements (the "summary financial statements"), which comprise the summary consolidated and separate statements of financial position as at 31 December 2016 and the summary consolidated and separate statements of comprehensive income for the year then ended are derived from the audited consolidated and separate financial statements (the "audited financial statements") of FSDH Merchant Bank Limited ("the Bank") and its subsidiary companies (together the "Group") for the year ended 31 December 2016.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institutions Act and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Group and Bank. Therefore, reading the summary financial statements and the auditor's report thereon, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 4 May 2017.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Report on other legal and regulatory requirements

In accordance with our full audit report, we confirm that:

- we did not report any exceptions under the sixth schedule of the Companies and Allied Matters Act;
- the Bank has disclosed the information required by the Central Bank of Nigeria circular on insider related credits;
- the Bank paid penalties in respect of contraventions of relevant Central Bank of Nigeria circulars during the year ended 31 December 2016.



For: PricewaterhouseCooper
Chartered Accountants
Engagement partner: Anthony Oputa
FRC/2013/CAN/00000000980
Lagos, Nigeria

4 May 2017



The summary financial statements disclosed were derived from the full financial statements of FSDH Merchant Bank Limited (the "bank") and its subsidiaries (together "the group") for the year ended 31 December 2016 and cannot be expected to provide a full understanding of the financial performance, financial position and cash flows of the bank and the group. The bank's auditor issued an unqualified opinion on the full financial statements for the year ended 31 December 2016 from which these summary financial statements were derived. The bank's auditor made a report under section 359 of the Companies and Allied Matters Act. The full financial statements from which these summary financial statements were derived, would be delivered to the Corporate Affairs Commission. Copies of the full financial statements can be obtained from the registered address of the bank.

The Bank paid the sum of N8million as penalties in respect of contraventions of relevant Central Bank of Nigeria circulars during the year.

In line with the CBN circular FPR/DIR/CIR/GEN/01/020, the Bank did not receive any complaints during the year (2015:Nil).