

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		BANK	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
ASSETS				
Cash and bank balances	15,764,178	19,432,950	15,536,837	19,085,255
Loans to banks and other financial institutions	17,477,008	12,194,617	16,793,701	11,166,282
Financial instruments held for trading	7,704,048	10,647,525	7,653,645	10,626,858
Derivative financial instruments	70,037	-	70,037	-
Loans and advances to customers	38,025,050	35,775,678	37,376,991	35,351,414
Investment securities	55,854,215	34,993,161	51,787,647	32,195,528
Pledged assets	10,201,862	21,807,050	10,201,862	21,807,050
Other assets	1,788,907	1,627,955	622,233	607,145
Investment in subsidiaries	-	-	961,377	961,377
Retirement benefit asset	-	431,333	-	380,109
Deferred tax asset	3,503,749	3,582,918	3,551,132	3,629,720
Intangible assets	344,535	119,301	217,263	45,157
Property and equipment	950,335	700,564	528,239	402,498
Total assets	151,683,924	141,313,052	145,300,964	136,258,393
Assets classified as held for sale	48,450	-	48,450	-
	151,732,374	141,313,052	145,349,414	136,258,393
LIABILITIES				
Due to banks and other financial institutions	19,877,963	22,158,574	19,877,963	22,158,574
Due to customers	54,574,920	54,347,925	55,186,445	55,006,019
Derivative financial instruments	54,106	-	54,106	-
Current income tax liability	1,129,618	1,012,172	413,161	375,705
Other liabilities	9,187,852	6,121,459	8,583,434	6,102,615
Debt securities issued	12,077,787	13,074,816	12,077,787	13,074,816
Other borrowed funds	20,201,819	16,729,278	20,201,819	16,729,278
Total liabilities	117,104,065	113,444,224	116,394,715	113,447,007
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	(809,753)	(497,653)	-	-
Retained earnings	23,182,288	19,267,126	19,291,688	15,632,019
Statutory reserve	6,295,904	5,579,308	5,630,282	5,077,345
Available for sale reserve	20,051	(2,751,665)	(301,652)	(2,828,529)
Credit risk reserve	-	596,170	-	596,170
	33,022,871	26,527,667	28,954,699	22,811,386
Non-controlling interest in equity	1,605,438	1,341,161	-	-
Total equity	34,628,309	27,868,828	28,954,699	22,811,386
Total equity and liabilities	151,732,374	141,313,052	145,349,414	136,258,393

The financial statements were approved by the board of directors on 22 March 2018 and signed on their behalf by:


Femi Agbaje
Chairman
FRC/2014/ICAN/00000010052


Hamda Ambah
Managing Director
FRC/2013/CISN/00000001749


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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		BANK	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Interest income	20,602,791	12,919,765	19,895,750	12,547,415
Interest expense	(12,906,092)	(9,098,875)	(12,946,751)	(9,162,759)
Net interest income	7,696,699	3,820,890	6,948,999	3,384,656
Impairment charge for credit losses	(2,263,093)	(419,631)	(2,261,359)	(419,539)
Net interest income after impairment charge for credit losses	5,433,606	3,401,259	4,687,640	2,965,117
Fee and commission income	5,410,271	3,989,755	1,151,310	510,041
Net gains on financial instruments held for trading	999,940	270,095	880,875	164,276
Net gains on financial instruments classified as available for sale	511,025	680,183	511,025	680,183
Other income	535,517	1,473,022	1,109,231	2,028,595
Operating and administrative expenses	(7,324,343)	(5,947,200)	(4,479,755)	(3,399,829)
Profit before tax	5,566,016	3,867,114	3,860,326	2,948,383
Income tax expense	(825,410)	(601,517)	(174,085)	(105,730)
Profit after tax	4,740,606	3,265,597	3,686,241	2,842,653
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial (losses)/gains in defined gratuity scheme (net of tax)	(63,441)	93,406	(69,805)	73,613
Items that may be subsequently reclassified to profit or loss				
- Unrealised net gains/(losses) arising during the period	1,906,358	(3,528,374)	1,658,897	(3,583,605)
- Net reclassification adjustments for realised gains	865,358	600,968	867,980	600,968
Other comprehensive income/(loss) for the year, net of tax	2,708,275	(2,834,000)	2,457,072	(2,909,024)
Total comprehensive income for the year	7,448,881	431,597	6,143,313	(66,371)
Profit after tax attributable to:				
Equity holders of the parent entity:	4,099,029	2,781,285	3,686,241	2,842,653
Non-controlling interest	641,578	484,312	-	-
	4,740,607	3,265,597	3,686,241	2,842,653
Total comprehensive income attributable to:				
Equity holders of the parent entity	6,807,303	(52,714)	6,143,313	(66,371)
Non-controlling interest	641,578	484,312	-	-
	7,448,881	431,597	6,143,313	(66,371)
Earnings per share per profit attributable to equity holders of the parent bank				
Earnings per share - basic (kobo)	164	109	132	102
Earnings per share - diluted (kobo)	164	109	132	102

The summary financial statement and specific disclosures are published in compliance with the requirements of CBN 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 2017 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 2017.

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 Institution 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 26 March 2018. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

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'.

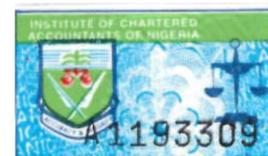
Report on other legal and regulatory requirements

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 2017.


For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement partner: Chidi Ojechi
FRC/2017/ICAN/00000015955



26 March 2018

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 2017 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 2017 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 bank paid penalties of six million naira to the Central Bank of Nigeria in respect of infractions 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 (2016: Nil).