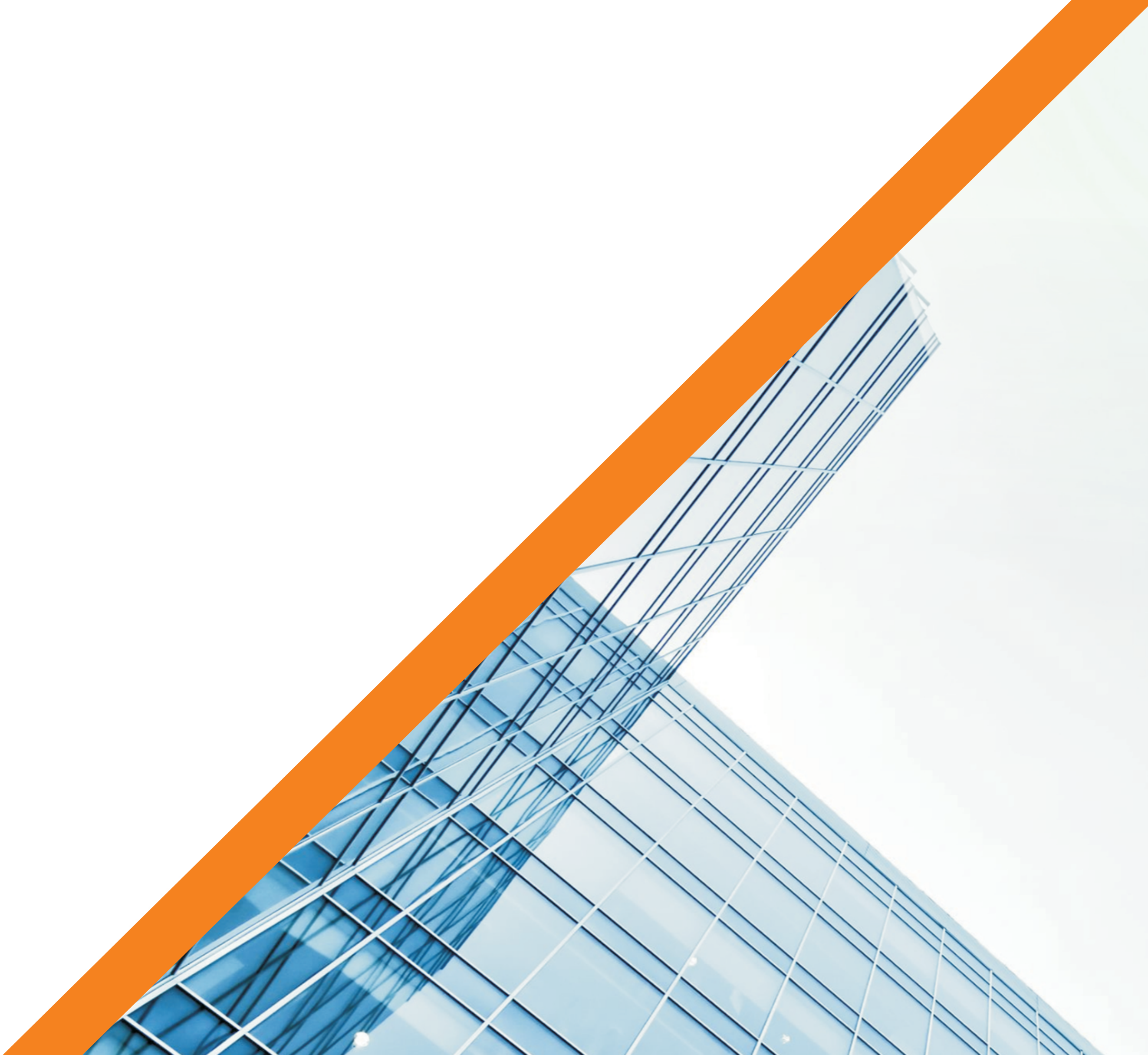
ACCESS BANK PLC

UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020



Access Bank PLC
Index to the consolidated and separate financial statements
For the period ended 31 March 2020

Corporate information

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

Directors

*Mosun Belo-Olusoga	Chairman
**Ajoritsedere Josephine Awosika, MFR	Chairman
Herbert Onyewumbu Wigwe	Group Managing Director/Chief Executive Officer
Roosevelt Michael Ogbonna	Group Deputy Managing Director
Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Paul Usoro, SAN	Non-Executive Director
***Abba Mamman Tor Habib	Non-Executive Director
Okey Nwuke	Non-Executive Director
****Ernest Chukwuka Ndukwe, OFR	Independent Non-Executive Director
Adeniyi Adekoya	Independent Non-Executive Director
Iboroma Akpana	Independent Non-Executive Director
Ifeyinwa Osime	Independent Non-Executive Director
Victor Okenyenbunor Etuokwu	Executive Director
Gregory Jobome	Executive Director
Hadiza Ambursa	Executive Director
Adeolu Bajomo	Executive Director
Chizoma Okoli	Executive Director

* Retired effective January 8, 2020
** Appointed effective January 8, 2020
*** Retired effective March 30, 2020
**** Resigned effective March 31, 2020

Company Secretary
Mr Sunday Ekwochi

Corporate Head Office
Access Bank Plc
No 14/15, Prince Alaba Oniru Road, Oniru, Lagos
Victoria Island, Lagos.
(formerly Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos)

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Email: info@accessbankplc.com
Website: www.accessbankplc.com
Company Registration Number: RC125 384
FRC Number: FRC/2012/0000000000271

Independent Auditors
PricewaterhouseCoopers
Landmark Towers, 5b Water Corporation way, Oniru
Victoria Island, Lagos
Telephone: (01) 271 1700
Website: www.pwc.com/ng
FRC Number: FRC/2013/ICAN/00000000639

Corporate Governance Consultant

Ernest & Young
10th Floor UBA House
57, Marina, Lagos
Telephone: +234 (01) 6314500
FRC Number: FRC/2012/ICAN00000000187

Actuaries

Alexander Forbes Consulting Actuaries Nig. Ltd
Rio Plaza, 2nd Floor , Plot 235, Muri Okunola Street
Victoria Island, Lagos
Telephone: (01) 271 1081
FRC Number: FRC/2012/0000000000504

Registrars

United Securities Limited
10 Amodu Ojikutu Street
Victoria Island, Lagos
Telephone: +234 01 730898
+234 01 730891

Consolidated and separate statement of comprehensive income

In thousands of Naira	*Notes*	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Interest income on financial assets not at FVTPL	8	113,751,042	95,142,412	94,384,235	79,842,412
Interest income on financial assets at FVTPL	8	18,117,486	15,634,345	17,522,835	14,855,271
Interest expense	8	(59,656,510)	(53,938,508)	(53,662,240)	(50,547,062)
Net interest income		72,212,019	56,838,249	58,244,830	44,150,619
Net impairment charge	9	(8,582,173)	(3,375,139)	(8,266,658)	(3,140,310)
Net interest income after impairment charges		63,629,846	53,463,110	49,978,172	41,010,310
Fee and commission income	10 (a)	27,942,097	15,628,267	23,004,247	11,321,502
Fee and commission expense	10 (b)	(4,944,277)	(2,559,755)	(4,766,776)	(2,419,918)
Net fee and commission income		22,997,821	13,068,512	18,237,471	8,901,585
Net gains on investment securities	11a,b	82,904,311	19,760,895	82,434,764	19,400,512
Net foreign exchange loss	12	(54,717,961)	6,210,824	(57,589,366)	3,541,582
Other operating income	13	21,797,820	7,746,086	21,550,466	7,428,612
Personnel expenses	14	(19,632,503)	(12,786,022)	(15,466,178)	(8,719,928)
Depreciation	28	(5,979,858)	(4,531,085)	(5,089,500)	(4,049,621)
Amortization	29	(1,155,152)	(406,895)	(1,026,596)	(297,783)
Other operating expenses	15	(63,551,426)	(37,424,386)	(59,343,816)	(33,476,782)
Profit before tax		46,292,898	45,101,037	33,685,417	33,738,487
Income tax	16	(5,364,175)	(3,953,525)	(3,895,100)	(3,001,904)
Profit for the period		**40,928,722**	**41,147,512**	**29,790,317**	**30,736,583**
Other comprehensive income (OCI) net of income tax :					
Items that may be subsequently reclassified to the income statement:					
Foreign currency translation differences for foreign subsidiaries:					
- Unrealised gains during the period		5,555,542	1,089,012	-	-
Net changes in fair value of financial instruments		(21,440,271)	4,793,674	(22,104,329)	3,984,815
Other comprehensive gain/(loss), net of related tax effects		(15,884,729)	5,882,686	(22,104,329)	3,984,815
Total comprehensive income for the period		**25,043,993**	**47,030,198**	**7,685,988**	**34,721,399**
Profit attributable to:					
Owners of the bank		40,409,087	40,627,417	29,790,317	30,736,583
Non-controlling interest	38	519,636	520,097	-	-
Profit for the period		**40,928,722**	**41,147,512**	**29,790,317**	**30,736,583**
Total comprehensive income attributable to:					
Owners of the bank		25,821,009	46,510,103	7,685,988	34,721,399
Non-controlling interest	38	(777,015)	520,097	-	-
Total comprehensive income for the period		**25,043,993**	**47,030,198**	**7,685,988**	**34,721,399**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	121	139	88	104
Diluted (kobo)	17	119	137	88	104

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

Consolidated and separate statement of financial position
As at 31 March 2020

In thousands of Naira	*Notes*	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Assets					
Cash and balances with banks	18	729,010,487	723,064,003	571,239,698	575,906,273
Investment under management	19	29,422,819	28,291,959	29,422,819	28,291,959
Non pledged trading assets	20	162,421,162	129,819,239	106,523,526	76,971,761
Derivative financial assets	21	261,648,408	143,520,553	259,195,139	143,480,073
Loans and advances to banks	22	232,246,968	152,825,081	217,631,177	164,413,001
Loans and advances to customers	23	2,916,762,980	2,911,579,708	2,480,779,158	2,481,623,671
Pledged assets	24	264,214,860	605,555,891	264,214,859	605,555,891
Investment securities	25	1,186,320,299	1,084,604,185	931,560,518	813,706,953
Investment properties	31a	927,000	927,000	727,000	727,000
Restricted deposit and other assets	26	1,202,119,362	1,055,510,454	1,156,013,858	1,004,310,290
Investment in subsidiaries	27b	-	-	136,916,459	131,458,709
Property and equipment	28	205,761,972	211,214,238	184,961,543	188,634,458
Intangible assets	29	66,402,790	65,932,754	71,462,084	71,003,729
Deferred tax assets	30	-	8,807,563	-	-
		7,257,259,109	7,121,652,628	6,410,647,840	6,286,083,767
Asset classified as held for sale	31b	23,527,518	24,957,519	23,527,518	24,957,518
Total assets		**7,280,786,627**	**7,146,610,147**	**6,434,175,358**	**6,311,041,286**
Liabilities					
Deposits from financial institutions	32	1,153,011,667	1,186,356,314	1,075,855,283	1,079,284,418
Deposits from customers	33	4,456,633,472	4,255,837,303	3,833,253,349	3,668,339,811
Derivative financial liabilities	21	38,798,582	6,885,680	38,500,837	6,827,293
Current tax liabilities	16	4,406,649	3,531,410	5,304,323	1,409,436
Other liabilities	34	233,076,486	324,333,873	209,926,422	302,261,951
Deferred tax liabilities	30	2,750,192	11,272,928	4,507,110	4,507,110
Debt securities issued	35	166,082,862	157,987,877	166,082,862	157,987,877
Interest-bearing borrowings	36	587,078,398	586,602,830	546,445,743	544,064,226
Retirement benefit obligation	37	3,411,334	3,609,037	3,391,778	3,418,060
Total liabilities		**6,645,249,643**	**6,536,417,252**	**5,883,267,706**	**5,768,100,182**
Equity					
Share capital and share premium	38	251,811,463	251,811,463	251,811,463	251,811,463
Retained earnings		267,394,853	225,118,811	222,168,935	192,378,619
Other components of equity	38	108,578,851	124,733,788	76,927,253	98,751,022
Total equity attributable to owners of the Bank		**627,785,166**	**601,664,062**	**550,907,651**	**542,941,104**
Non controlling interest	38	7,751,819	8,528,833	-	-
Total equity		**635,536,985**	**610,192,895**	**550,907,651**	**542,941,104**
Total liabilities and equity		**7,280,786,627**	**7,146,610,147**	**6,434,175,358**	**6,311,041,286**

Signed on behalf of the Board of Directors on 23 April, 2020 by:

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

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

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

Consolidated and separate statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank												
	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January 2020	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,913)**	**3,489,080**	**964,243**	**11,780,013**	**225,118,812**	**601,664,061**	**8,528,833**	**610,192,894**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	40,409,087	40,409,087	519,636	40,928,722
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	6,381,792	-	6,381,792	(826,250)	5,555,542
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(20,969,872)	-	-	(20,969,872)	(470,399)	(21,440,271)
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-		-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**		**-**	**-**	**(20,969,872)**	**6,381,792**	**-**	**(14,588,080)**	(1,296,649)	**(15,884,729)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20,969,872)**	**6,381,792**	**40,409,088**	**25,821,007**	**(777,014)**	**25,043,993**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	(1,063,781)	(803,174)	-	-	-	-	-	1,866,955	-		-
Transfers under the scheme of merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares issued under scheme of merger	-	-		-	-	-	-	-	-	-	-	-	-
Additional shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Scheme shares	-	-		-	280,565	-	-	-	-	-	280,565	-	280,565
Vested shares	-	-	-	-	-	19,533	-	-	-	-	19,533	-	19,533
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**(1,063,781)**	**(803,174)**	**280,565**	**19,533**	**-**	**-**	**-**	**1,866,955**	**300,098**	**-**	**300,098**
Balance at 31 March 2020	**17,772,613**	**234,038,850**	**17,028,160**	**92,519,480**	**2,162,331**	**(4,776,379)**	**3,489,080**	**(20,005,631)**	**18,161,806**	**267,394,854**	**627,785,166**	**7,751,819**	**635,536,984**

Consolidated statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank												
	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January 2019	**14,463,986**	**197,974,816**	**19,942,296**	**82,889,946**	**1,725,386**	**(3,401,302)**	**3,489,080**	**(5,622,402)**	**15,586,697**	**155,592,892**	**482,641,395**	**7,870,360**	**490,511,755**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	40,627,417	40,627,417	520,097	41,147,512
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-		1,089,012	-	1,089,012	(659,221)	429,791
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	4,793,674	-	-	4,793,674	-	4,793,674
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	4,793,674	1,089,012	-	5,882,686	(659,221)	5,223,465
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,793,674**	**1,089,012**	**40,627,417**	**46,510,103**	**(139,124)**	**46,370,977**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	(752,343)	3,328,862	-	-	-	-		(2,576,519)	-	-	-
Scheme shares	3,308,627	36,064,034	-	-	-	-	-	-		-	39,372,661	-	39,372,661
Vested shares	-	-		-	214,975	-	-	-	-	-	214,975	-	214,975
Total contributions by and distributions to equity holders	**3,308,627**	**36,064,034**	**(752,343)**	**3,328,862**	**214,975**	**-**	**-**	**-**	**-**	**(2,576,519)**	**39,587,636**	**-**	**39,587,636**
Balance at 31 March 2019	**17,772,613**	**234,038,850**	**19,189,953**	**86,218,808**	**1,940,361**	**(3,401,302)**	**3,489,080**	**(828,728)**	**16,675,709**	**193,643,788**	**568,739,132**	**7,731,236**	**576,470,369**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserve	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2020	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**1,881,767**	**3,489,081**	**835,472**	**192,378,618**	**542,941,100**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	29,790,317	29,790,317
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	-	-
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(22,104,330)	-	(22,104,330)
Net changes in allowance on FVOCI financial instruments				-				-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(22,104,330)**	**-**	**(22,104,330)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(22,104,330)**	**29,790,317**	**7,685,987**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-
Shares issued under scheme of merger	-	-	-	-	-	-	-	-	-
Additional shares	-	-	-	-	-	-	-	-	-
Scheme shares	-	-	-	-	280,565	-	-	-	280,565
Vested shares	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**-**	**280,565**	**-**	**-**	**-**	**280,565**
Balance at 31 March 2020	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**2,162,330**	**3,489,081**	**(21,268,858)**	**222,168,935**	**550,907,652**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2019	**14,463,986**	**197,974,816**	**9,483,000**	**72,026,340**	**1,725,385**	**3,489,081**	**(6,601,426)**	**148,238,575**	**440,799,756**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	30,736,583	30,736,583
Other comprehensive income, net of tax									
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	3,984,815	-	3,984,815
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**3,984,815**	**-**	**3,984,815**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**3,984,815**	**30,736,583**	**34,721,399**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	-	4,610,488	-	-	-	(4,610,488)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-
Shares issued under scheme of merger	3,308,627	36,064,034	-	-	-	-	-	-	39,372,661
Scheme shares	-	-	-	-	214,975	-	-	-	214,975
Total contributions by and distributions to equity holders	**3,308,627**	**36,064,034**	**-**	**4,610,488**	**214,975**	**-**	**-**	**(4,610,488)**	**39,587,636**
Balance at 31 March 2019	**17,772,613**	**234,038,850**	**9,483,000**	**76,636,828**	**1,940,360**	**3,489,081**	**(2,616,611)**	**174,364,670**	**515,108,791**

Consolidated statement of cash flows

In thousands of Naira	Note	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Cash flows from operating activities					
Profit before income tax		46,292,898	45,101,037	33,685,417	33,738,487
Adjustments for:					
Depreciation	28	5,979,859	4,531,085	5,089,500	4,049,621
Amortization	29	1,155,152	406,895	1,026,596	297,783
Gain on disposal of property and equipment	13	(2,503,929)	-	(2,500,637)	-
Impairment on financial assets	9	8,582,174	3,375,139	8,266,660	3,144,524
Additional gratuity provision		78,579	282,051	250,000	282,051
Restricted share performance plan expense		280,565	836,160	280,565	836,160
Fair value loss on financial assets at FVPL		2,082,802	(2,895,596)	2,465,316	(2,887,451)
Net interest income	8	(72,212,019)	(55,063,138)	(58,244,830)	(48,287,658)
Unrealised foreign exchange loss on revaluation	12	30,768,313	4,701,122	24,069,284	3,780,820
Dividend income	13	(2,042,451)	(2,416,992)	(2,042,451)	(2,416,992)
		18,461,941	(1,142,239)	12,345,420	(7,462,655)
Changes in operating assets					
Non-pledged trading assets		(45,854,567)	(89,393,153)	(42,710,335)	(83,027,290)
Fair value of derivative financial instruments		(86,214,953)	(17,131,268)	(84,041,521)	(17,195,002)
Pledged assets		(145,650,225)	(153,206,641)	(145,650,224)	(132,413,118)
Restricted deposits		(79,183,366)	(207,655,850)	(93,816,994)	(222,700,009)
Loans and advances to banks and customers		(115,208,021)	(91,972,319)	(83,376,941)	(68,878,451)
Other assets		(8,106,635)	(270,063,543)	(703,900)	(289,335,148)
Changes in operating liabilities					
Deposits from financial institutions		(18,778,073)	(133,821,900)	(5,506,828)	195,721,128
Deposits from customers		225,330,951	303,941,133	170,963,931	295,971,034
Other liabilities		(91,257,387)	(27,473,098)	(92,017,048)	(24,288,292)
Interest received on loans and advances		125,595,870	56,594,245	96,528,148	47,507,877
Interest paid on deposits to banks and customers		(86,537,016)	(44,819,134)	(46,596,976)	(41,644,915)
Payment to gratuity benefit holders		(276,282)	-	(276,282)	-
Lease payments		(1,122,276)	-	(556,470)	-
		(308,800,038)	(676,143,765)	(315,416,020)	(347,744,841)
Income tax paid		(4,487,772)	-	(213)	-
Net cash generated from/(used in) operating activities		(313,287,812)	(676,143,766)	(315,416,234)	(347,744,841)
Cash flows from investing activities					
Acquisition of investment securities		(619,206,923)	(588,554,566)	(573,244,323)	(538,277,616)
Interest received on investment securities		47,320,059	7,110,078	41,540,931	4,769,792
Investment under management		(179,562)	(1,010,081.00)	(179,562)	(1,010,081)
Dividend received	13	2,042,451	2,416,992	2,042,451	2,747,925
Acquisition of property and equipment	28	(8,335,697)	1,760	(6,927,171)	1,975
Proceeds from the sale of property and equipment and intangible assets		8,286,442	-	8,229,562	-
Acquisition of intangible assets	29	(1,625,756)	(472,998)	(1,484,952)	(321,207)
Proceeds from disposal of asset held for sale		1,430,000	-	1,430,000	-
Proceeds from sale of investment properties		-	(56,502,893)	-	(7,976,260)
Proceeds from matured/disposed investment securities		256,511,929	708,069,177	217,233,483	566,060,910
Proceeds from sale of investment securities		232,124,914	-	223,402,254	-
Additional investment in subsidiaries		-	-	(5,457,750)	(11,968,921)
Consideration paid in cash for business combination		-	(23,160,389)	-	(23,160,389)
Cash and cash equivalents acquired from business Combination		-	134,786,585	-	177,235,115
Net cash generated from investing activities		**(81,632,141)**	**182,683,666**	**(93,415,077)**	**168,101,243**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(11,422,519)	(2,575,460)	(11,545,966)	(2,337,372)
Net proceeds from interest bearing borrowings		(12,657,040)	139,402,242	(10,398,940)	136,602,847
Net cash (used in)/generated from financing activities		**(24,079,559)**	**136,826,781**	**(21,944,905)**	**134,265,474**
Net increase/(decrease) in cash and cash equivalents		(418,999,513)	(356,633,321)	(430,776,218)	(45,378,120)
Cash and cash equivalents at beginning of period	40	1,226,031,018	864,564,913	1,080,005,274	424,360,569
Net increase/ (decrease) in cash and cash equivalents		(418,999,513)	(356,633,321)	(430,776,218)	(45,378,120)
Effect of exchange rate fluctuations on cash held		(2,790,020)	(718,820)	(2,447,853)	(427,789)
Cash and cash equivalents at end of period	40	804,241,485	507,212,772	646,781,203	378,554,659

1.0 General information

Access Bank Plc ("the Bank") is a bank domiciled in Nigeria. The address of the Bank's registered office is No 14/15, Prince Alaba Oniru Road, Oniru, Lagos (formerly Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos). The consolidated and separate financial statements of the Bank for the period ended 31 March 2020 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking. The Bank is listed on the Nigerian Stock Exchange.

These financial statements were approved and authorised for issue by the Board of Directors on 23 April 2020. The directors have the power to amend and reissue the financial statements.

2.0 Statement of compliance with International Financial Reporting Standards

The consolidated and separate financial statements of the Group and Bank respectively, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Additional information required by national regulations is included where appropriate.

3.0 Basis of preparation

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

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, modified to include fair valuation of particular financial instruments: non current assets held for sale and investment properties to the extent required or permitted under IFRS as set out in the relevant accounting policies.

3.1 Summary of significant accounting policies

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

(a) Functional and presentation currency

These consolidated and separate financial statements are presented in Naira, which is the Group's presentation currency; except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(b) Basis of measurement

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

- derivative financial instruments are measured at fair value.
- non-derivative financial instruments at fair value through profit or loss are measured at fair value.
- financial instruments at fair value through OCI are measured at fair value.
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost
- non-current assets held for sale measured at lower of cost and fair value less costs to sell.
- share based payment at fair value or an approximation of fair value allowed by the relevant standard.
- Investment properties are measured at fair value.

(c) Use of estimates and judgments

The preparation of the consolidated and separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 4.

3.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The ammendments to the following standards became effective from the annual period starting 1 January, 2020. The reporting requirements for the standards have been assessed and noted below:

- ***Amendments to IFRS 3 -Business Combination***

IFRS 3 establishes accounting requirements for business combination. The ammendment arose from post implementation review of IFRS 3 and it centres around the definition of a business i.e distinguishing between a business and a group of assets as regards a business combination.

- ***Amendment to IAS 1 and IAS 8***

In 2018, the IASB issued ammendments to its definition of "material" and how it should be applied. The objective is to ensure consistency of application across IFRS Standards. The new definition is "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Group has taken this into consideration in the preparation of the Financial Statements.

3.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercise control.
Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity:

[i] power over the investee;
[ii] exposure, or rights, to variable returns from its involvement with the investee; and
[iii] the ability to use its power over the investee to affect the amount of the investor's returns

The Group reassess periodically whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity.

The Group assesses existence of control where it does not have more than 50% of the voting power i.e. when it holds less than a majority of the voting rights of an investee. A group considers all relevant facts and circumstances in assessing whether or not it's voting rights are sufficient to give it power, including:

[i] a contractual arrangement between the group and other vote holders
[ii] rights arising from other contractual arrangements
[iii] the group's voting rights (including voting patterns at previous shareholders' meetings)
[iv] potential voting rights

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

(b) Business combinations

The Group applies IFRS 3 *Business Combinations (revised)* in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights.

The Group measures goodwill at the acquisition date as the total of:
- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a gain from a bargain purchase is recognised immediately in statement of comprehensive income.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.

Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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

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

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

(c) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments.

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.
The gain/loss arising from disposal of subsidiaries is included in the profit/loss of discontinued operations in the statement of comprehensive income, if the disposal subsidiary meets the criteria specified in IFRS 5.
Foreign currency translation differences become realised when the related subsidiary is disposed.

(e) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(f) Transactions eliminated on consolidation

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

3.4 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

3.5 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira', which is the group's presentation currency.

The Group in the normal course of business sets up Structured Entries (SEs) for the sole purpose of raising finance in foreign jurisdictions. The SEs raises finance in the currency of their jurisdictions and passes the proceeds to the group entity that set them up. All costs and interest on the borrowing are borne by the sponsoring group entity. These SEs are deemed to be extensions of the sponsoring entity, and hence, their functional currency is the same as that of the sponsoring entity.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Changes in the fair value of monetary securities denominated in foreign currency classified as Fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

(c) Group companies

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

[i] assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

[ii] income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

[iii] all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.6 Operating income

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

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

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

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

(a) Interest income and expense

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

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter year) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income include:
- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis.
- interest on fair value through other comprehensive income investment securities calculated on an effective interest basis.

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

(b) Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment year.

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

(c) Net loss/gains on investment securities

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

- Net gains on financial instruments at fair value through profit or loss: This relates to gains on disposal and changes in fair value of financial instruments carried at fair value through profit or loss

(d) Foreign exchange income

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

(e) Other operating income

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

Dividend on Fair value through other comprehensive income equity securities: This is recognised when the right to receive payment is established. Dividends are reflected as a component of other operating income.

3.7 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the bank and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Minimum Tax

Based on the provisions of The Finance Act, minimum tax will be applicable at 0.5% of gross turnover less franked investment income.

(c) Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.8 (a) Financial assets and liabilities

Recognition and derecognition

Financial assets and liabilities are initially recognised on the settlement date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Classification

The group classifies its financial assets in the following measurement categories:
● those to be measured subsequently at fair value (either through OCI or through profit or loss), and
● those to be measured subsequently at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

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

Debt instruments

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

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

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

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

Equity instruments

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

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

Business model assessment

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

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

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

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

Financial Liabilities

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

Financial liabilities that are classified at fair value through profit or loss is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains and losses attributable to changes in credit risk and the fair value of the liability are presented in the Statement of comprehensive income.

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

Financial assets	Financial assets at fair value through profit or loss
	Financial assets at amortised cost
	Fair value through other comprehensive income
Financial liabilities	Financial liabilities at fair value through profit or loss
	Financial liabilities at amortised cost

[i] Fair value through profit or loss
This category comprises financial assets classified as held for trading upon initial recognition.

A financial asset is classified as fair value through profit or loss if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised measured at fair value through profit or loss unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market instruments, as well as financial assets with embedded derivatives. They are recognised in the consolidated statement of financial position as 'non-pledged trading assets '.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the consolidated income statement. Gains and losses arising from changes in fair value are included directly in the consolidated income statement and are reported as "Net loss/gains on investment securities. Interest income and expense and dividend income on financial assets held for trading are included in 'Interest income', "Interest expense' or 'Other operating income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

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

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

[ii] Amortized cost

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

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method. Any sale or reclassification of a significant amount of amortized cost investments not close to their maturity would result in a reassessment of the Bank's business model for managing the assets. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset's fair value.
- Sales or reclassification after the Group has collected substantially all the asset's original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

Interest on amortized cost investments is included in the consolidated income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the consolidated income statement as 'net impairment loss on financial assets'. Amortised cost investments include treasury bills and bonds.

[iv] Fair value through other comprehensive income

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

Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in the income statement when the Group becomes entitled to the dividend. Foreign exchange gains or losses on such investments are recognised in the income statement.

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

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

[v] Investment under management

Investment under management are funds entrusted to Asset management firms who acts as agents to the bank for safe keeping and management for investment purpose with returns on the underlying investments accruable to the Bank, who is the principal.

The investment decision made by the Asset management within an agreed portfolio of high quality Nigerian fixed income and money market instruments which are usually short tenured.
The investments are carried at fair value through OCI.

(b) Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

Deposits and debt securities issued are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "stock lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements as pledged assets.

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

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

On this statement of financial position, other financial liabilities carried at amortised cost include deposit from banks, deposit from customers, interest bearing borrowings, debt securities issued and other liabilities.

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements.
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities.
Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

Cash and balances with banks

Cash and balances with banks include notes and coins on hand, balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

In the consolidated and separate statement of cash flows, cash and cash equivalents includes cash in hand, unrestricted balances with foreign and central banks, money market placements and other short-term highly liquid investments with original maturities of three months or less.

Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets held for trading or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.
Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as held for trading, Fair value through other comprehensive income or Amortized cost. Where the assets pledged as collateral are designated as held for trading, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral designated as Amortized cost are measured at amortized cost.

Reclassification

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

The following are not changes in business model;

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

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

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

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

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

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

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

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

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

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

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group’s trading activity. See note 5.1.4.

Securities sold subject to repurchase agreements ('repos') remain on the statement of financial position; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (reverse repos') are recorded as money market placement. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in Net gains/(loss) on investment securities.

Impairment of financial assets

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

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

Staging Assessment

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

• Stage 1: When a financial instrument is first recognised, the Group recognises an allowance based on 12m Expected credit Loss. Stage 1 also include financial instruments where the credit risk has improved (after review over a year of 90 days) and the financial instruments has been reclassified from Stage 2.

• Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECLs. Stage 2 financial instruments also include instances, where the credit risk has improved (after review over a year of 90 days) and the financial instrument has been reclassified from Stage 3.

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

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

Change in credit quality since initial recognition

Stage 1	Stage 3
(Initial Recognition)	(Credit-impaired assets)
12-months expected credit losses	Lifetime expected credit losses

Measuring the Expected Credit Loss

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

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

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

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

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

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

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

• POCI: Purchase or Originated Credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial
• Financial guarantee contracts: The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within net impairment charge on financial assets

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

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

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

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

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

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

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

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

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

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
• The borrower is in long-term forbearance
• The borrower is deceased
• The borrower is insolvent
• The borrower is in breach of financial covenant(s)
• An active market for that financial asset has disappeared because of financial difficulties
• Concessions have been made by the lender relating to the borrower's financial difficulty

• It is becoming probable that the borrower will enter bankruptcy
• Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.
The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

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

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

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

The ECLs include forward-looking information which translates into an allowance for changes in macro-economic conditions and forecasts when estimating lifetime ECLs. It is important to understand the effect of forecasted changes in the macro-economic environment on ECLs, so that an appropriate level of provisions can be raised.

A regression model was built to explain and predict the impact of macro-economic indicators on default rates. Such regression models are usually built on a history of default rates and macro-economic variables covering at least one economic cycle, but preferable more.

Historical data on macro-economic indicators from a host of reliable sources, including the International Monetary Fund was gathered. As a proxy for default rates, the Group provided their non-performing loans as a percentage of gross loans ("NPL%") metric. The time series data extended from the first quarter of 2007 to the second quarter of 2016. Quarterly data was used to increase granularity.

The macro-economic model regressed historical NPL% (the target variable) on a list of candidate macro-economic indicators. The Bank's Economic Intelligence currently monitors and forecasts certain macro-economic indicators. These indicators are GDP growth rate, inflation rate, crude oil prices and the foreign exchange rate.The most predictive variables that were selected in the regression model (the most predictive indicators) were determined. The logic of the relationships between the indicators and the target variable was considered and assessed to ensure indicators are not highly correlated with one another.

The model produced best-estimate, optimistic and downturn forecasts of the selected macro-economic indicators, based on trends in the indicators and macro-economic commentary. This was done through stressing the indicator GDP, which in turn stressed the other indicators based on their assumed historical correlation with GDP. The regression formula obtained was applied to the forecasted macro-economic indicators in order to predict the target variable. The target variable were projected, for each quarter, over the year July 2016 to December 2019 and assumed constant thereafter.

The best-estimate, optimistic and downturn scalars of predicted target variables were determined. In order to remove the impact of any historical trends included in the data, the scalar denominator was adjusted based on the estimation year used to derive the PDs. The scalars calculated were applied to the lifetime PDs. This process results in forward-looking best-estimate, optimistic and downturn lifetime PD curves, which are used in the ECL calculations.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as external valuers.

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

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has exhausted all practical recovery efforts and has concluded there is no easonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

(b) Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

[i] Financial liabilities at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

Deposits and debt securities issued are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into a “repo” or “stock lending” agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements as pledged assets.

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

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

On this statement of financial position, other financial liabilities carried at amortised cost include deposit from banks, deposit from customers, interest bearing borrowings, debt securities issued and other liabilities.

[ii] Financial liabilities at fair value

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements.
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities. Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

(c) De-recognition

[i] Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement.

The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.
When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions as the Group

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.
Loans that are individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again.

[ii] Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(d) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income.

(f) Measurement

[i] Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

[ii] Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument.

In other cases the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

Objective evidence that financial assets (including equity securities) are impaired can include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

[i] Loans and receivables

The Group considers all loans and advances, financial assets at FVOCI and amortized cost investments at specific level for expected credit loss assessment.

In assessing expected credit loss, the Group uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current and forecasted economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. The ECL on restricted deposits and other assets is calculated using the simplified model approach.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

[ii] Fair value through other comprehensive income securities

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

For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent year, the fair value of an impaired fair value through other comprehensive income debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through the income statement; otherwise, any increase in fair value is recognised through OCI. Any subsequent recovery in the fair value of an impaired fair value through other comprehensive income equity security is always recognised in OCI.

The Group writes off previously impaired loans and advances (and investment securities) when they are determined not to be recoverable. The Group writes off loans or investment debt securities that are impaired (either partially or in full and any related allowance for impairment losses) when the Group credit team determines that there is no realistic prospect of recovery.

(h) Cash and balances with banks

Cash and balances with banks include notes and coins on hand, balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, unrestricted balances with foreign and central banks, money market placements and other short-term highly liquid investments with original maturities of three months or less.

(i) Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement.
When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

(i) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets (for example, for exchange-traded options), including recent market transactions, and valuation techniques (for example for swaps and currency transactions), including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.
The Group mitigates the credit risk of derivatives by holding collateral in the form of cash.

(j) Reclassification of financial assets

The Bank may choose to reclassify a non-derivative financial asset carried at fair value through profit or loss out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Bank may choose to reclassify financial assets that would meet the definition of loans and receivables out of the fair value through profit or loss or fair value through other comprehensive income categories if the Bank has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and amortised cost categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(k) Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets carried at fair value through profit or loss or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.
Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as fair value through profit or loss, Fair value through other comprehensive income or Amortized cost. Where the assets pledged as collateral are designated as fair value through profit or loss, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral designated as Amortized cost are measured at amortized cost.

3.9 Investment properties

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the Group. An occupation of more than 15% of the property is considered substantial. Investment properties is measured initially at cost including transaction cost and subsequently carried in the statement of financial position at their market value and revalued yearly on a systematic basis. Investment properties are not subject to periodic charge for depreciation. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year which it arises as: "Fair value gain on investment property"

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement inside other operating income or other operating expenses dependent on whether a loss or gain is recognized after the measurement

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.10 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.
When significant parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.
The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in the Income statement.

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in Income statement as incurred.

(c) Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

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

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

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(d) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included within other operating income in the income statement in the year the asset is derecognised.

3.11 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of software is between three and five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.12 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 Discontinued operations

The Group presents discontinued operations in a separate line in the consolidated income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and:
(a) Represents a separate major line of business or geographical area of operations;
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) Is a subsidiary acquired exclusively with a view to resale (for example, certain private equity investments).

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group´s operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior years in the consolidated income statement.

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.14 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.
Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the year in which it arise.

Repossessed collateral
Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement.
When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

3.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expenses.

(a) Restructuring
A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

3.16 Financial guarantees

Financial guarantees which includes Letters of credit are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).
Letters of credits which have been guaranteed by Access bank but funded by the customer is included in other liabilities while those guaranteed and funded by the Bank is included in deposit from financial institutions.

3.17 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due in respect of service rendered before the end of the reporting year.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting year in which the employees render the service are discounted to their present value at the reporting date.

The Bank operates a funded, defined contribution pension scheme for employees. Employees and the Bank contribute 8% and 10% respectively of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

(c) Post employment defined benefit plan

The Bank has a non-contributory, un-funded lump sum defined benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions.

Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade. The Bank's net obligation in respect of the long term incentive scheme is calculated by estimating the amount of future benefits that eligible employees have earned in return for service in the current and prior years. That benefit is discounted to determine its present value. The rate used to discount the post employment benefit obligation is determined by reference to the yield on Nigerian Government Bonds, that have maturity dates approximating the terms of the Bank's obligations.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immediately recognized in the income statement. The Bank recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the years in which they occur. They are not recycled subsequently in the income statement.

(d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(e) Share-based payment remuneration scheme

The Group applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares.
Employee incentives include awards in the form of shares . The cost of the employee services received in respect of the shares or share granted is recognised in the income statement over the year that employees provide services, generally the year between the date the award is granted or notified and the vesting date of the shares. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.
The number of shares expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a forfeiture, resulting in an acceleration of recognition of the cost of the employee services.
The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The cost recognised as a result of shares granted in the year has been expensed within Personnel expenses, with a corresponding increase in the Share scheme reserve

3.18 Share capital and reserves

(a) Share issue costs

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

(b) Dividend on the Bank's ordinary shares

Dividends on ordinary shares are recognised in equity in the year when approved by the Bank's shareholders. Dividends for the year that are declared after the end of the reporting year are dealt with in the subsequent events note.

(c) Treasury shares

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

(d) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(e) Regulatory risk reserve

In compliance with the Prudential Guidelines for Licensed Banks, the Group assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing losses in risk assets. Assets are classified as performing or non- performing. Non performing assets are further classed as substandard, doubtful or lost with attendant provisions.

Classification	Percentage	Basis
Substandard	10%	Interest and/or principal overdue by 90 days but less than 180 days
Doubtful	50%	Interest and/or principal overdue by 180 days but less than 365 days
Lost	100%	Interest and/or principal overdue by more than 365 days

A more accelerated provision may be done using the subjective criteria. A 2% provision is taken on all risk assets that are not specifically provisioned.

The results of the application of Prudential Guidelines and the expected credit loss determined for these assets under IFRS 9 are compared. The IFRS 9 determined impairment charge is always included in the income statement.

Where the Prudential Guidelines provision is greater, the difference is appropriated from retained earnings and included in a non - distributable 'Statutory credit reserve'. Where the IFRS 9 exected credit loss is greater, no appropriation is made and the amount of IFRS 9 expected credit loss is recognised in the income statement.

Following an examination, the regulator may also require more amounts to be set aside on risk and other assets. Such additional amounts are recognised as an appropriation from retained earnings to regulatory risk reserve.

3.19 Levies

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

4.0 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied judgements are:
(i) Allowances for credit losses
(ii) Valuation of financial instruments
(iii) Assessment of impairment of goodwill on acquired subsidiaries
(iv) Defined benefit plan

Key sources of estimation uncertainty

(i) *Allowances for credit losses*

Loans and advances to banks and customers are accounted for at amortised cost and are evaluated for impairment on a basis described in accounting policy (see note 3.9)

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

The standard requires recognition of an impairment allowance on financial instruments, based on 12 months or lifetime expected credit losses. The ECL calculations are based on the components discussed in the previous sections.

IFRS 9 requires the calculation of probability-weighted ECL impairments. Three ECL figures were therefore calculated for each account (optimistic, best-estimate and downturn ECLs) and probability-weighted to arrive at a single ECL impairment for each account. The likelihood of the best-estimate, downturn and optimistic scenarios were assumed to be 75%, 13.9% and 11% respectively.

The EIR, as provided by the Bank, is used to discount all ECLs to the reporting date. For accounts with no EIR information, the balance-weighted average EIR across all accounts, split by portfolio, is used as a proxy. The method followed for accounts classified as Stage 1, Stage 2 or Stage 3 are set out below;

Stage 1
Account-level ECL figures are calculated projecting monthly expected losses for the next 12-months of each account. The forward, macro-adjusted monthly PDs are applied to the applicable LGD estimate and EAD or the collateral adjusted EAD (if secured) at the start of each month.

Stage 2
Account-level ECL figures are calculated projecting monthly expected losses for the remaining lifetime of each account. The forward, macro-adjusted monthly PDs are applied to the applicable LGD estimate and the EAD or collateral adjusted EAD (if secured) at the start of each month.

Stage 3
For the purposes of this model, account-level ECL figures are calculated by applying the applicable LGD estimate to the balance as at the reporting date

The final ECL impairment is calculated as the probability-weighted average of the ECLs produced for the three macro-economic scenarios.

The Bank reviews its loan portfolios to assess impairment at least on a half yearly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating a significant increase in credit risk followed by measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the Bank.

The Bank makes use of estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently reviewed by the Credit Risk Management Department (CRMD).

A collective component of the total allowance is established for:
- Groups of homogeneous loans that are not considered individually significant and
- Groups of assets that are individually significant but were not found to be individually impaired

Collective allowance for groups of homogeneous loans is established using statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Collective allowance for group of assets that are individually significant but that were not found to be individually impaired cover credit losses inherent in portfolios of loans and advances and held to maturity investment securities with similar credit characteristics when there is objective evidence to suggest that they contain impaired loans and advances and held to maturity investment securities, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are estimated.

Statement of prudential adjustments
Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the expected credit loss model required by IFRS 9. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

a) Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

- Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".
- Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

b) The non-distributable reserve should be classified under Tier 1 as part of the core capital.

The Bank has complied with the requirements of the guidelines as follows:

Statement of prudential adjustments *In thousands of Naira*		**March 2020**	**December 2019**
Bank	Note		
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	23(b)	52,527	1,361,987
- Loans to individuals	23(b)	5,275,762	4,776,944
- Loans to corporate	23(b)	180,572,169	176,222,477
Total impairment allowances on loans per IFRS		**185,900,458**	**182,361,408**
Total regulatory impairment based on prudential guidelines		**195,383,458**	**217,419,674**
Balance, beginning of the year		35,058,266	35,058,266
Additional transfers to/(from) regulatory risk reserve		(25,575,266)	-
Balance, end of the year		**9,483,000**	**35,058,266**

The Central Bank of Nigeria (CBN) via its circular BSD/DIR/GEN/LAB/08/052 issued on 11 November 2015, directed banks in Nigeria to increase the general provision on performing loans from 1 percent to 2 percent for prudential review of credit portfolios in order to ensure adequate buffer against unexpected loan losses.

4.1 *Valuation of financial instruments*
The table below analyses financial and non-financial instruments measured at fair value at the end of the financial year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

4.1.1 Recurring fair value measurements

In thousands of Naira
Group
March 2020

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Investment under management				
Government bonds	2,136,776	-	-	2,136,776
Placements	-	-	10,170,321	10,170,321

Commercial paper	-	712351065%	-	7,123,511
Treasury bills	4,451,923	-	-	4,451,923
Mutual funds	-	3,005,206	-	3,005,206
Eurobonds	-	2,535,081	-	2,535,081
Non pledged trading assets				
Treasury bills	113,249,159	-	-	113,249,159
Government Bonds	48,990,078	-	-	48,990,078
Eurobonds	-	181,924	-	181,924
Equity	-	-	-	-
Derivative financial instrument	-	261,648,408	-	261,648,408
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	66,865,704	-	-	66,865,704
Government Bonds	2,791,235	-	-	2,791,235
-Financial instruments at FVPL				
Treasury bills	26,709,060	-	-	26,709,060
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	385,852,163	-	-	385,852,163
Government Bonds	145,887,538	-	-	145,887,538
State government bonds	-	15,715,852	-	15,715,852
Corporate bonds	-	9,584,716	-	9,584,716
Eurobonds	-	3,825,394	-	3,825,394
Promissory notes	-	9,268,293	-	9,268,293
-Financial assets at FVPL				-
Equity	598,936	990,127	111,809,988	113,399,051
Assets held for sale	-	-	23,527,518	23,527,518
	797,532,573	313,878,513	145,507,827	1,256,918,914
Liabilities				
Derivative financial instrument	-	38,798,582	-	38,798,582
	-	38,798,582	-	38,798,582

Group
December 2019

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	2,054,650	-	-	2,054,650
Placements	-	-	9,779,427	9,779,427
Commercial paper	-	6,849,720	-	6,849,720
Nigerian Treasury bills	4,280,814	-	-	4,280,814
Mutual funds	-	2,889,702	-	2,889,702
Eurobonds	-	2,437,646	-	2,437,646
Non pledged trading assets				
Treasury bills	89,797,961	-	-	89,797,961
Government Bonds	40,021,277	-	-	40,021,277
Eurobonds	-	-	-	-
Equity	-	-	-	-
Derivative financial instrument	-	143,520,553	-	143,520,553
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	30,388,532	-	-	30,388,532
Government Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	39,881,494	-	-	39,881,494
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	232,813,374	-	-	232,813,374
Government Bonds	64,989,934	-	-	64,989,934
State government bonds	-	6,311,454	-	6,311,454
Corporate bonds	-	7,815,595	-	7,815,595
Eurobonds	-	2,860,694	-	2,860,694
Promissory notes	-	807,619	-	807,619
-Financial assets at FVPL				
Equity	598,936	990,127	111,569,257	113,158,320
Assets held for sale	-	-	24,957,519	24,957,519
	504,826,972	174,483,110	146,306,203	825,616,285
Liabilities				
Derivative financial instrument	-	5,206,001	-	5,206,001
	-	5,206,001	-	5,206,001

Bank
March 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	2,136,776	-	-	2,136,776
Placements	-	-	10,170,321	10,170,321
Commercial paper	-	7,123,511	-	7,123,511
Nigerian Treasury bills	4,451,923	-	-	4,451,923
Mutual funds	-	3,005,206	-	3,005,206
Eurobonds	-	2,535,081	-	2,535,081
Non pledged trading assets				
Treasury bills	105,256,876	-	-	105,256,876
Government Bonds	1,084,726	-	-	1,084,726
Eurobonds	-	181,924		181,924
Equity	-	-	-	-
Derivative financial instrument	-	259,195,139	-	259,195,139
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	66,865,704	-	-	66,865,704
Government Bonds	2,791,235	-	-	2,791,235
-Financial instruments at FVPL				
Treasury bills	26,709,060	-	-	26,709,060
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	271,561,737	-	-	271,561,737
Government Bonds	64,335,398	-	-	64,335,398
State government bonds	-	15,715,852	-	15,715,851
Corporate bonds	-	9,584,716	-	9,584,716
Eurobonds	-	-	-	-
Promissory notes	-	9,268,293	-	9,268,293
-Financial assets at FVPL				

Equity	598,936	990,127	111,777,460	113,366,523
Asset held for sale	-	-	23,527,518	23,527,518
	545,792,372	307,599,850	145,475,299	998,867,521
Liabilities				
Derivative financial instrument	-	38,500,837	-	38,500,837
	-	38,500,837	-	38,500,837

Bank
December 2019
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	2,054,650	-	-	2,054,650
Placements	-	-	9,779,427	9,779,427
Commercial paper	-	6,849,720	-	6,849,720
Nigerian Treasury bills	4,280,814	-	-	4,280,814
Mutual funds	-	2,889,702	-	2,889,702
Eurobonds	-	2,437,646	-	2,437,646
Non pledged trading assets				
Treasury bills	74,749,344	-	-	74,749,344
Government Bonds	2,222,417	-	-	2,222,417
Eurobonds	-	-		-
Equity	-	-	-	-
Derivative financial instrument	-	143,480,073	-	143,480,073
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	30,388,532	-	-	30,388,532
Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	39,881,494	-	-	39,881,494
Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	77,897,548	-	-	77,897,548
Government Bonds	4,823,398	-	-	4,823,398
State government bonds	-	6,311,454	-	6,311,453
Corporate bonds	-	7,815,595	-	7,815,595
Eurobonds	-	-	-	-
Promissory notes	-	807,619	-	807,619
-Financial assets at FVPL				
Equity	598,936	990,127	111,537,560	113,126,623
Asset held for sale	-	-	24,957,518	24,957,518
	236,897,133	**171,581,936**	**146,274,505**	**554,753,574**
Liabilities				
Derivative financial instrument	-	6,827,293	-	6,827,293
	-	6,827,293	-	6,827,293

4.1.2 Financial instruments not measured at fair value
Group
March 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	729,010,487	729,010,487
Loans and advances to banks	-	-	232,246,968	232,246,968
Loans and advances to customers	-	-	2,916,762,980	2,916,762,980
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	90,383,685	-	-	90,383,685
Bonds	77,465,175	-	-	77,465,175
Investment securities				
-Financial assets at amortised cost				
Treasury bills	249,033,488	-	-	249,033,488
Bonds	240,010,597	8,325,611		248,336,206
Other assets	-	-	1,170,883,371	1,170,883,371
	656,892,944	8,325,611	5,048,903,806	5,714,122,359
Liabilities				
Deposits from financial institutions	-	-	1,153,011,667	1,153,011,667
Deposits from customers	-	-	4,456,633,472	4,456,633,472
Other liabilities	-	-	224,359,700	224,359,700
Debt securities issued	135,603,810	-	-	135,603,810
Interest-bearing borrowings	-	-	587,078,398	587,078,398
	135,603,810	-	6,421,083,237	6,556,687,047

Group
December 2019
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	723,064,003	723,064,003
Loans and advances to banks	-	-	152,825,081	152,825,081
Loans and advances to customers	-	-	2,911,579,708	2,911,579,708
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	452,686,283	-	-	452,686,283
Bonds	82,599,583	-	-	82,599,583
Investment securities				-
-Financial assets at amortised cost				
Treasury bills	379,283,381	-	-	379,283,381
Bonds	256,532,576	9,746,421		266,278,996
Other assets	-	-	1,016,582,843	1,016,582,843
	1,171,101,823	**9,746,421**	**4,804,051,635**	**5,984,899,877**

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	1,186,356,314	1,186,356,314
Deposits from customers	-	-	4,255,837,303	4,255,837,303
Other liabilities	-	-	315,626,032	315,626,032
Debt securities issued	126,360,001	-	-	126,360,001
Interest-bearing borrowings	-	-	586,602,830	586,602,830
	126,360,001	**-**	**6,344,422,479**	**6,470,782,480**

Bank
March 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	571,239,698	571,239,698
Loans and advances to banks	-	-	217,631,177	217,631,177
Loans and advances to customers	-	-	2,480,779,158	2,480,779,158
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	90,383,684	-	-	90,383,684
Bonds	77,465,175	-	-	77,465,175
Investment securities				
Financial assets at amortised cost				
Treasury bills	210,584,247	-	-	210,584,247
Bonds	223,375,508	8,325,611	-	231,701,119
Other Assets	-	-	1,131,711,071	1,131,711,071
	601,808,614	8,325,611	4,401,361,103	5,011,495,328
Liabilities				
Deposits from financial institutions	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	-	-	203,888,029	203,888,029
Debt securities issued	135,603,810		-	135,603,810
Interest-bearing borrowings	-	-	546,445,743	546,445,743
	135,603,810	-	750,333,772	885,937,582

Bank
December 2019
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	575,906,273	575,906,273
Loans and advances to banks	-	-	164,413,001	164,413,001
Loans and advances to customers	-	-	2,481,623,671	2,481,623,671
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	452,686,282	-	-	452,686,282
Bonds	82,599,583	-	-	82,599,583
Investment securities				
Financial assets at amortised cost				
Treasury bills	341,786,029	-	-	341,786,029
Bonds	241,082,412	9,746,421	-	250,828,832
Other Assets	-	-	968,698,629	968,698,629
	1,118,154,307	9,746,421	4,190,641,574	5,318,542,301

Liabilities

Deposits from financial institutions	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	-	-	295,184,124	295,184,124
Debt securities issued	126,360,001		-	126,360,001
Interest-bearing borrowings	-	-	544,064,226	544,064,226
	126,360,001	-	839,248,350	965,608,351

Financial instrument measured at fair value

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:

(i) Quoted market prices or dealer quotes for similar instruments;

(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;

(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in level 3

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

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

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

(ii) Valuation of financial instruments

Valuation techniques used to derive Level 2 fair values

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

Description	Fair value at 31 March 2020	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of observable inputs to fair value
Derivative financial assets	259,195,139	Forward and swap: Fair value through market rate from a quoted market	Market rates from quoted market	216,373,726	217,259,653	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	38,500,837	Futures: Fair value through reference market rate				

Valuation techniques used to derive Level 3 fair values

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

Description	Fair value at 31 March 2020	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Fair value if unobservable inputs increased by 5%	Fair value if unobservable inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in Africa Finance Corporation	90,045,706	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	94,547,992	85,543,421	94,296,097	85,315,516	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	6,732,958	Adjusted fair value comparison approach	Median PE ratios of comparable companies	7,069,606	6,396,310	7,069,606	6,396,310	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in CSCS	4,312,500	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,528,125	4,096,875	4,528,125	4,096,875	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in NIBSS	4,999,760	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	5,249,748	4,749,772	5,205,008	4,709,293	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in Afrexim	34,396	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	36,116	32,676	36,116	32,676	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in FMDQ	684,900	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	719,145	650,655	719,145	650,655	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	391,854	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	411,447	372,262	323,077	292,308	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Nigerian Mortgage Refinance Company	305,227	Adjusted fair value comparison approach	Prices as obtained from NASD (National Association of Securities Dealers)	320,488	289,966	320,488	289,966	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
CAPITAL ALLIANCE EQUITY FUND	4,982,794	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	5,231,934	4,733,655	5,231,934	4,733,655	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
NG Clearing	227,491	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	238,866	216,117	238,866	216,117	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value

SANEF	50,000	Adjusted fair value comparison approach	Fair value of transactions at settlement date	52,500	47,500	52,500	47,500	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value

Reconciliation of Level 3 Investments

The following tables presents the changes in Level 3 instruments for the year ended 31 December 2019

Financial assets at fair value through profit or loss	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Opening balance	112,559,385	98,287,042	112,527,686	97,738,061
Acquired from business combination	-	6,058,135	-	6,058,135.34
Total unrealised gains in P/L	239,900	19,799,137	239,900	19,799,137
Cost of Asset (Additions)	-	50,000	-	50,000
Sales	831	(11,634,929)	-	(11,117,647)
Balance, period end	**112,800,116**	**112,559,385**	**112,767,586**	**112,527,686**

Assets Held for Sale	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Opening balance	24,957,521	12,241,824	24,957,525	12,241,830
Additions	-	14,660,697	-	14,660,695
Disposals	(1,430,000)	(1,945,000)	(1,430,000)	(1,945,000)
Balance, period end	**23,527,521**	**24,957,521**	**23,527,525**	**24,957,525**

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Assessment of impairment of goodwill on acquired subsidiaries
Goodwill on acquired subsidiaries was tested for impairment using discounted cash flow valuation method. Projected cash flows were discounted to present value using a discount rate of 23.3% (Dec. 2018: 17.90%) and a cash flow growth rate of 7.095% (Dec. 2018: 9.6%) over a period of ten years. The Group determined the appropriate discount rate at the end of the year using the adjusted weighted average cost of capital method. See note 29b for further details.

(iv) Defined benefit plan
The present value of the long term incentive plan depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of the year. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions. See note 37 for the sensitivity analysis.

Market risk management

The Group trades on bonds, treasury bills and foreign currency. Market risk in trading portfolios is monitored and controlled using tools such as position limits, value at risk and present value of an assumed basis points change in yields or exchange rates coupled with concentration limits. The major measurement technique used to measure and control market risk is outlined below.

The table below sets out information on the exposure to fixed and variable interest instruments.

Exposure to fixed and variable interest rate risk
Group
In thousands of Naira

March 2020	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	19,774,840	-	709,327,211	729,102,050
Non pledged trading assets	162,421,161	-	-	162,421,161
Derivative financial instruments	-	-	261,648,408	261,648,408
Loans and advances to banks	232,246,968	-	-	232,246,968
Loans and advances to customers	13,655,696	2,903,107,284	-	2,916,762,980
Pledged assets		-	-	-
Treasury bills	183,958,450	-	-	183,958,450
Bonds	80,256,410	-	-	80,256,410
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	385,852,163	-	-	385,852,163
Bonds	184,281,794	-	-	184,281,794
Promissory notes	9,268,293	-	-	9,268,293
-Financial assets at amortised cost				
Treasury bills	249,033,488	-	-	249,033,488
Bonds	253,753,805	-	-	253,753,805
Promissory notes	-	-	5,976,819	5,976,819
TOTAL	**1,774,503,066**	**2,903,107,284**	**976,952,439**	**5,654,562,789**
LIABILITIES				
Deposits from financial institutions	1,153,011,667	-	-	1,153,011,667
Deposits from customers	1,869,672,689	2,586,960,784	-	4,456,633,474
Derivative financial instruments	-	-	38,798,582	38,798,582
Debt securities issued	166,082,862	-	-	166,082,862
Interest-bearing borrowings	368,294,319	218,784,079	-	587,078,398
TOTAL	**3,557,061,537**	**2,805,744,864**	**38,798,582**	**6,401,604,981**

December 2019	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	48,838,459	-	674,316,991	723,155,450
Non pledged trading assets	129,819,238	-	-	129,819,238
Derivative financial instruments	-	-	143,520,553	143,520,553
Loans and advances to banks	152,825,081	-	-	152,825,081
Loans and advances to customers	12,960,914	2,897,570,286	-	2,910,531,200
Pledged assets		-	-	
Treasury bills	522,956,309	-	-	522,956,309
Bonds	82,599,583	-	-	82,599,583
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	232,813,374	-	-	232,813,374
Bonds	82,785,297	-	-	82,785,297
Promissory notes	807,619	-	-	807,619
-Financial assets at amortised cost				
Treasury bills	379,283,381	-	-	379,283,381
Bonds	276,563,816	-	-	276,563,816
Promissory notes	-	-	10,844,042	10,844,042
TOTAL	**1,922,253,070**	**2,897,570,286**	**828,681,585**	**5,648,504,942**
LIABILITIES				
Deposits from financial institutions	1,186,356,314	-	-	1,186,356,314
Deposits from customers	1,784,924,350	2,470,912,954	-	4,255,837,304
Derivative financial instruments	-	-	6,885,680	6,885,680
Debt securities issued	157,987,877	-	-	157,987,877
Interest-bearing borrowings	308,692,956	277,909,874	-	586,602,830
TOTAL	**3,437,961,497**	**2,748,822,829**	**6,885,680**	**6,193,670,004**

Bank

March 2020	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	3,547,920	-	567,693,142	571,241,062
Non pledged trading assets	106,523,525	-	-	106,523,525
Derivative financial instruments	-	-	259,195,139	259,195,139
Loans and advances to banks	217,631,177	-	-	217,631,177
Loans and advances to customers	13,346,263	2,467,432,895	-	2,480,779,158
Pledged assets				
'Treasury bills	183,958,449	-	-	183,958,449
'Bonds	80,256,410	-	-	80,256,410
Investment securities:				
-Financial assets at FVOCI	-	-	-	1
Treasury bills	271,561,737	-	-	271,561,737
Bonds	98,904,260	-	-	98,904,260
-Financial assets at amortised cost				
Treasury bills	210,584,247	-	-	210,584,247
Bonds	237,143,752	-	-	237,143,752
TOTAL	**1,423,457,740**	**2,467,432,895**	**826,888,281**	**4,717,778,916**
LIABILITIES				
Deposits from financial institutions	1,075,855,283	-	-	1,075,855,283
Deposits from customers	1,525,228,312	2,308,025,037	-	3,833,253,349
Derivative financial instruments	-	-	38,500,837	38,500,837
Debt securities issued	166,082,862	-	-	166,082,862
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	3,051,657,718	2,564,187,545	41,911,293	5,657,756,557

December 2019	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	32,822,516	-	543,085,033	575,907,549
Non pledged trading assets	76,971,760	-	-	76,971,760
Derivative financial instruments	-	-	143,480,073	143,480,073
Loans and advances to banks	164,413,001	-	-	164,413,001
Loans and advances to customers	13,346,263	2,468,277,408	-	2,481,623,671
Pledged assets				
'Treasury bills	522,956,308	-	-	522,956,308
'Bonds	82,599,583	-	-	82,599,583
Investment securities:				-
-Financial assets at FVOCI	-	-	-	1
Treasury bills	77,897,548	-	-	77,897,548
Bonds	19,758,066	-	-	19,758,066
-Financial assets at amortised cost				
Treasury bills	341,786,029	-	-	341,786,029
Bonds	261,138,688	-	-	261,138,688
TOTAL	**1,593,689,762**	**2,468,277,408**	**686,565,106**	**4,748,532,276**
LIABILITIES				
Deposits from financial institutions	1,079,284,418	-	-	1,079,284,418
Deposits from customers	1,463,431,594	2,204,908,217	-	3,668,339,810
Derivative financial instruments	-	-	6,827,293	6,827,293
Debt securities issued	157,987,877	-	-	157,987,877
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	2,985,195,150	2,461,070,726	10,237,748	5,456,503,624

Derivative financial instruments include elements of interest rate differential between the applicable underlying currencies. Further details on the fair value of derivatives have been discussed in Note 21 of the financial statement.

6 Capital management

The Bank’s objectives when managing capital, which is a broader concept than the ‘equity’ on the face of the statement of financial position, are:
i) To comply with the capital requirements set by the Central Bank;
ii) To safeguard the Bank’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
iii) To maintain a strong capital base to support the development of its business.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 16% (15% + additional 1%) is to be maintained for deposit money banks designated as significant financial institutions. Following the CBN guideline on regulatory capital computation, the Regulatory Risk Reserve has been excluded from the capital computation. Standardised approach has been adopted in computing the risk weighted assets for Credit, Operational, and Market Risk. The following table provides an overview of the development of the capital ratios and risk-weighted assets (RWA):

The regulatory capital requirements are strictly observed when managing capital. The Bank’s regulatory capital is managed by the Bank's Risk Management and Financial Control. Regulatory capital comprises two tiers:
- Tier 1 capital: This includes ordinary share capital, share premium, retained earnings and other reserves excluding regulatory reserves. Intangible assets, deferred tax assets and investment in subsidiaries were also deducted from Tier I capital for capital adequacy purposes; and
- Tier 2 capital: This includes fair value reserves, foreign currency translation reserves with adjustments for investments in subsidiaries.

IFRS 9 Regulatory Transition Arrangement

The Central Bank of Nigeria, in its circular on transitional arrangements on treatment of IFRS 9 expected credit loss for regulatory purposes by banks in Nigeria dated 18 October 2018, has recommended transitional arrangements to cushion the impact of IFRS 9 implementation on tier 1 regulatory capital. The Bank advised that the balance in regulatory risk reserve should be applied to retained earnings to reduce the additional ECL provisions on opening retained earnings. Where the additional ECL provision is higher than the regulatory risk reserve transfer, the excess shall be amortised in line with the transitional arrangements. The regulatory arrangement for amortization of the impact is as detailed in the table below:

year	**Provisions to be written back**
year 0 (January 1, 2018)	4/5 of Adjusted Day One Impact
year 1 (December 31, 2018)	3/5 of Adjusted Day One Impact
year 2 (December 31, 2019)	2/5 of Adjusted Day One Impact
year 3 (December 31, 2020)	1/5 of Adjusted Day One Impact
year 4 (December 31, 2021)	NIL

Therefore, the bank has computed Capital Adequacy Ratio based on the full impact of IFRS 9 and in line with regulatory provision described above

In thousands of Naira	**Group March 2020**	**Group December 2019**	**Bank March 2020**	**Bank December 2019**
Tier 1 capital with adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	267,394,853	225,118,811	222,168,935	192,378,618
Add back IFRS impact(adjusted day one impact)	79,253,886	79,253,886	79,253,886	79,253,886
Other reserves	108,578,851	124,733,788	76,927,253	98,751,022
Non-controlling interests	7,751,819	8,528,833	-	-
	714,790,872	**689,446,782**	**630,161,537**	**622,194,988**
Add/(Less):				
Fair value reserve for available-for-sale	20,005,631	(964,243)	21,268,858	(835,472)
Foreign currency translation reserves	(18,161,806)	(11,780,013)	-	-
Other reserves	(2,162,331)	(1,881,768)	(2,162,330)	(835,471)
Total Tier 1	**714,472,363**	**674,820,757**	**649,268,064**	**620,524,044**
Add/(Less):				
50% Investments in subsidiaries	-	-	(68,458,230)	(65,729,355)
Deferred tax assets	-	(8,807,563)	-	-
Regulatory risk reserve	(17,028,160)	(18,091,941)	(9,483,000)	(9,483,000)
Intangible assets	(66,402,790)	(65,932,754)	(71,462,084)	(71,003,729)
Adjusted Tier 1	**631,041,413**	**581,988,499**	**499,864,750**	**474,307,960**

Tier 2 capital				
Debt securities issued	130,492,600	128,469,000	130,492,600	128,469,000
Fair value reserve for available-for-sale securities	(20,005,631)	964,243	(21,268,858)	835,472
Foreign currency translation reserves	18,161,806	11,780,013	-	-
Other reserves	2,162,331	1,881,768	2,162,330	835,471
50% Investments in subsidiaries	-	-	(68,458,230)	(65,729,355)
Total Tier 2	**130,811,107**	**143,095,024**	**42,927,843**	**64,410,589**
Adjusted Tier 2 capital (33% of Tier 1)	**130,811,107**	**143,095,024**	**42,927,844**	**64,410,590**
Total regulatory capital	**761,852,519**	**725,083,522**	**542,792,593**	**538,718,550**
Risk-weighted assets	**3,653,391,937**	**3,621,011,364**	**3,184,787,821**	**3,052,419,013**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	20.85%	20.02%	17.04%	17.65%
Total tier 1 capital expressed as a percentage of risk-weighted assets	17.27%	16.07%	15.70%	15.54%

IFRS 9 Regulatory Transition Arrangement computation

IFRS 9 impact	(264,255,539)	(264,255,539)	(264,255,539)	(264,255,539)
Transfer from regulatory risk reserve	66,120,824	66,120,824	66,120,824	66,120,824
Net impact	(198,134,715)	(198,134,715)	(198,134,715)	(198,134,715)
Provision basis	0.40	0.40	0.40	0.40
IFRS 9 Regulatory Transition Arrangement	**79,253,886**	**79,253,886**	**79,253,886**	**79,253,886**

The IFRS 9 impact on Capital adequacy ration computation shows a significant increase from N73Bn which was the value of the impact at Access bank as at period of implementation to N264.2Bn for Bank . This is as a result of the merger between Access Bank Plc and the former Dimaond Bank Plc. The IFRS 9 impact from former Diamond Bank Plc was N190.79Bn for Bank

Capital adequacy ratio without adjustment

This is the presentation of the capital adequacy ratio without IFRS 9 Regulatory Transition Arrangement computation

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Tier 1 capital without adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	267,394,853	225,118,811	222,168,935	192,378,618
Other reserves	108,578,851	124,733,788	76,927,253	98,751,022
Non-controlling interests	7,751,819	8,528,833	-	-
	635,536,986	**610,192,896**	**550,907,651**	**542,941,103**
Add/(Less):				
Fair value reserve for available-for-sale	20,005,631	(964,243)	21,268,858	(835,472)
Foreign currency translation reserves	(18,161,806)	(11,780,013)	-	-
Other reserves	(2,162,331)	(1,881,768)	(2,162,330)	(1,881,767)
Total Tier 1	**635,218,479**	**595,566,873**	**570,014,179**	**540,223,864**
Add/(Less):				
50% Investments in subsidiaries	-	-	(68,458,230)	(65,729,355)
Deferred tax assets	-	(8,807,563)	-	-
Regulatory risk reserve	(17,028,160)	(18,091,941)	(9,483,000)	(9,483,000)
Intangible assets	(66,402,790)	(65,932,754)	(71,462,084)	(71,003,729)
Adjusted Tier 1	**551,787,529**	**502,734,615**	**420,610,865**	**394,007,780**
Tier 2 capital				
Debt securities issued	130,492,600	128,469,000	130,492,600	128,469,000
Fair value reserve for available-for-sale securities	(20,005,631)	964,243	(21,268,858)	835,472
Foreign currency translation reserves	18,161,806	11,780,013	-	-
Other reserves	2,162,331	1,881,768	2,162,330	1,881,767
50% Investments in subsidiaries	-	-	(68,458,230)	(65,729,355)
Total Tier 2	**130,811,107**	**143,095,024**	**42,927,843**	**65,456,884**
Adjusted Tier 2 capital (33% of Tier 1)	**130,811,107**	**143,095,024**	**42,927,843**	**65,456,884**
Total regulatory capital	**682,598,636**	**645,829,639**	**463,538,707**	**459,464,665**
Risk-weighted assets	**3,587,271,113**	**3,554,890,540**	**3,118,666,997**	**2,986,298,189**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	19.03%	18.17%	14.86%	15.39%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15.38%	14.14%	13.49%	13.19%

7 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis. The Group presents segment information to its Executive Committee, which is the Group's Chief Operating Decision Maker, based on International Financial Reporting Standards.

Based on the market segment and extent of customer turnover, the group reformed the arrangement of segments from previous years into four operational segments as described below;

- **Corporate and Investment Banking -** The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank's clients as well as relationship banking services to the Bank's financial institutions customers.
- **Commercial banking** - The commercial banking division has presence in all major cities in the country. It provides commercial banking products and services to the non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.
- **Personal banking** – The personal banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment. The name of this division was recently changed from 'personal banking' to Retail banking' during the year.The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad.
- **Business Banking** - The Business banking division is a hybrid of Commercial and retail Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

All of the Segments reported at the end of the period had its,

- Reported revenue, from both external customers and intersegment sales or transfers, 10 per cent or more of the combined revenue, internal and external, of all operating segments, or

-the absolute measure of its reported profit or loss 10 per cent or more of the greater, in absolute amount, of
(i) the combined reported profit of all operating segments that did not report a loss and
(ii) the combined reported loss of all operating segments that reported a loss, or

-its assets are 10% or more of the combined assets of all operating segments.

Unallocated Segments represents all other transactions than are outside the normal course of business and can not be directly related to a specific segment financial information.

Thus, in essence, unallocated segments reconcile segment balances to group balances. Material items comprising total assets and total liabilities of the unallocated segments have been outlined below;

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

Material total assets and liabilities	**Group March 2020**	**Group December 2019**
In thousands of Naira		
Other Assets	1,202,119,362	1,055,510,452
Deferred tax (net)	-	8,807,563
Assets Held for Sale	23,527,518	24,957,519
Goodwill	57,250,971	57,189,153
	1,282,897,852	**1,146,464,687**
Other liabilities	233,076,486	324,333,873
Debt Securities issued	166,082,862	157,987,877
Interest-bearing loans and borrowings	587,078,398	586,602,830
Deferred tax	2,750,192	11,272,928
Retirement Benefit Obligation	3,411,334	3,609,037
Total liabilities	**992,399,272**	**1,083,806,545**

Material revenue and expenses	**Group March 2020**	**Group March 2019**
Interest expense on debt securities issued		
Interest expense on eurobond	(4,762,644)	(6,159,075)
	(4,762,644)	**(6,159,075)**

7a Operating segments (continued)

March 2020

In thousands of Naira	**Corporate & Investment Banking**	**Commercial Banking**	**Business Banking**	**Personal Banking**	**Unallocated Segments**	**Total continuing operations**	**Total**
Revenue:							
Derived from external customers	152,178,378	24,377,029	6,189,208	27,050,182	-	209,794,796	209,794,796
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	152,178,378	24,377,029	6,189,208	27,050,182	-	209,794,796	209,794,796
Interest Income	97,028,973	16,062,494	3,508,573	15,268,489	-	131,868,529	131,868,529
Interest expense	(44,341,300)	(5,465,187)	(987,682)	(4,099,697)	(4,762,644)	(59,656,511)	(59,656,511)
Impairment Losses	(4,125,226)	(4,479,164)	231,132	(208,915)	-	(8,582,173)	(8,582,173)
Profit/(Loss) on ordinary activities before taxation	30,998,481	6,796,895	1,772,781	6,724,740	-	46,292,899	46,292,899
Income tax expense	(3,592,439)	(786,635)	(205,017)	(780,085)		(5,364,175)	(5,364,175)
Profit after tax	27,406,042	6,010,260	1,567,765	5,944,656		40,928,724	40,928,724
Assets and liabilities:							
Loans and Advances to banks and customers	1,462,565,671	1,387,040,488	144,283,072	155,120,717	-	3,149,009,948	3,149,009,948
Goodwill	-	-	-	-	57,250,971	57,250,971	57,250,971
Tangible segment assets	2,855,404,456	2,423,263,441	339,240,492	379,980,387	-	5,997,888,777	5,997,888,777
Unallocated segment assets	-	-	-	-	1,282,897,852	1,282,897,852	1,282,897,852
Total assets	2,855,404,456	2,423,263,441	339,240,492	379,980,387	1,282,897,852	7,280,786,629	7,280,786,629
Deposits from customers	1,387,497,749	976,600,804	373,704,059	1,718,830,860	-	4,456,633,472	4,456,633,472
Segment liabilities	2,132,780,923	1,152,836,706	567,809,274	1,799,423,468	-	5,652,850,371	5,652,850,371
Unallocated segment liabilities	-	-	-	-	992,399,272	992,399,272	992,399,272
Total liabilities	2,132,780,923	1,152,836,706	567,809,274	1,799,423,468	992,399,272	6,645,249,643	6,645,249,643
Net assets	722,623,533	1,270,426,736	(228,568,782)	(1,419,443,081)	290,498,579	635,536,986	635,536,988

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income

March 2019
Operating segments (continued)

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	101,599,926	32,820,060	9,041,354	16,661,488	-	160,122,828	160,122,828
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	101,599,926	32,820,060	9,041,354	16,661,488	-	160,122,828	160,122,828
Interest Income	26,651,370	54,423,010	11,739,327	17,963,051	-	110,776,757	110,776,757
Interest expense	(12,976,866)	(26,499,205)	(5,716,017)	(8,746,421)	-	(53,938,509)	(53,938,509)
Profit/(Loss) on ordinary activities before taxation	44,610,621	4,280,166	210,030	2,159,296	(6,159,075)	45,101,038	45,101,038
Income tax expense	(3,438,452)	(329,902)	(18,739)	(166,432)		(3,953,525)	(3,953,525)
Profit after tax	41,172,169	3,950,263	191,291	1,992,864		41,147,513	41,147,513
December 2019							
Assets and liabilities:							
Loans and Advances to banks and customers	1,370,155,157	1,283,314,337	143,528,577	267,406,717	-	3,064,404,788	3,064,404,788
Goodwill	-	-	-	-	57,189,153	57,189,153	57,189,153
Tangible segment assets	2,789,878,313	2,576,723,412	352,297,683	281,246,050	-	6,000,145,458	6,000,145,458
Unallocated segment assets	-	-	-	-	1,146,464,687	1,146,464,687	1,146,464,687
Total assets	2,789,878,313	2,576,723,412	352,297,683	281,246,050	1,146,464,687	7,146,610,145	7,146,610,145
Deposits from customers	1,238,932,440	880,391,040	315,565,547	1,820,948,275	-	4,255,837,303	4,255,837,303
Segment liabilities	1,360,937,180	1,352,167,101	484,667,984	2,254,838,443	-	5,452,610,707	5,452,610,707
Unallocated segment liabilities	-	-	-	-	1,083,806,545	1,083,806,545	1,083,806,545
Total liabilities	1,360,937,180	1,352,167,101	484,667,984	2,254,838,443	1,083,806,545	6,536,417,252	6,536,417,252
Net assets	1,428,941,133	1,224,556,311	(132,370,301)	(1,973,592,393)	62,658,142	610,192,893	610,192,895

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

March 2020 *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Intercompany elimination**	**Total**
Derived from external customers	181,307,181	19,401,557	10,843,918	211,552,657	(1,757,863)	209,794,794
Derived from other segments	-	-	-	-	-	-
Total revenue	181,307,181	19,401,557	10,843,918	211,552,657	(1,757,863)	209,794,794
Interest income	111,907,070	13,275,215	8,444,106	133,626,390	(1,757,863)	131,868,527
Impairment losses	(8,266,658)	(315,513)	-	(8,582,171)	-	(8,582,171)
Interest expense	(53,662,240)	(5,001,937)	(2,750,197)	(61,414,374)	1,757,863	(59,656,510)
Net fee and commission income	18,237,471	4,627,835	132,514	22,997,821		22,997,821
Operating income	127,644,943	14,399,620	8,093,722	150,138,283	-	150,138,283
Profit before income tax	33,685,417	7,197,772	5,409,709	46,292,898	-	46,292,898
Assets and liabilities:						
Loans and advances to customers and banks	2,698,410,335	100,877,998	625,028,514	3,424,316,847	(275,306,900)	3,149,009,947
Non current assets						
Total assets	6,434,175,358	499,273,888	852,620,865	7,786,070,111	(505,283,483)	7,280,786,627
Deposit from customers	3,833,253,349	339,225,391	284,154,730	4,456,633,471		4,456,633,471
Total liabilities	5,883,267,706	420,378,663	702,456,612	7,006,102,982	(360,853,341)	6,645,249,640
Net assets	550,907,651	78,895,225	150,164,253	779,967,129	(144,430,141)	635,536,988

March 2019	**Nigeria**	**Rest of Africa**	**Europe**	**Total continuing operations**	**Intercompany elimination**	**Total**
Derived from external customers	136,389,891	17,571,523	9,503,557	163,464,970	(3,342,143)	160,122,826
Derived from other segments	-	-	-	-	-	-
Total revenue	136,389,891	17,571,523	9,503,557	163,464,970	(3,342,143)	160,122,826
Interest income	94,697,682	12,073,102	7,348,115	114,118,900	(3,342,143)	110,776,757
Impairment losses	(3,140,310)	(234,829)	-	(3,375,139)	-	(3,375,139)
Interest expense	(50,547,062)	(4,428,296)	(2,305,293)	(57,280,651)	3,342,143	(53,938,508)
Net fee and commission income	8,901,585	2,195,536	1,971,391	13,068,512	-	13,068,512
Operating income	85,842,829	13,143,227	7,198,263	106,184,319	-	106,184,318
Profit before income tax	33,738,487	7,021,220	4,341,330	47,689,934	-	45,101,037
December 2019						
Assets and liabilities:						
Loans and advances to customers and banks	2,646,036,672	109,740,491	575,848,422	3,331,625,585	(267,220,794)	3,064,404,791
Total assets	6,311,041,282	463,255,864	923,193,664	7,697,490,810	(550,880,666)	7,146,610,143
Deposit from customers	3,668,339,811	306,476,348	281,021,142	4,255,837,302	-	4,255,837,302
Total liabilities	5,768,100,182	398,118,129	782,025,377	6,948,243,688	(411,814,937)	6,536,428,751
Net assets	542,941,100	65,137,735	141,168,287	749,247,122	(139,065,728)	610,181,393

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the Group's total revenue in the period ended 31 March 2020 and for the year ended 31 December 2019. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.

8 Interest income

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Interest income				
Cash and balances with banks	2,631,381	1,568,724	2,029,090	1,397,577
Loans and advances to banks	1,381,934	1,133,464	548,842	386,367
Loans and advances to customers	83,843,967	57,253,497	73,073,815	47,121,509
Investment securities				
-Financial assets at FVOCI	16,372,388	25,510,144	10,502,065	22,838,762
-Financial assets at amortised cost	9,521,372	9,676,582	8,230,423	8,098,198
	113,751,042	95,142,412	94,384,235	79,842,412
-Financial assets at FVPL	18,117,486	15,634,345	17,522,835	14,855,271
	131,868,529	**110,776,757**	**111,907,070**	**94,697,682**
Interest expense				
Deposit from financial institutions	17,024,436	13,278,037	16,864,136	14,973,101
Deposit from customers	31,269,646	31,541,097	25,760,139	26,671,814
Debt securities issued	4,762,644	6,159,075	4,762,644	6,159,075
Lease liabilities	263,853	-	237,989	-
Interest bearing borrowings and other borrowed funds	6,335,932	2,960,299	6,037,331	2,743,073
	59,656,510	**53,938,508**	**53,662,240**	**50,547,062**
Net interest income	**72,212,019**	**56,838,249**	**58,244,829**	**44,150,620**

Interest income for the period ended 31 March 2020 includes interest accrued on impaired financial assets of Group: N265.77Mn (31 March 2019: N2.48Bn) and Bank: N99.48Mn (31 March 2019: N93.8Mn).

Increase in interest expense is due to growth in deposit volume, increasing trade related transactions and borrowings. The increase in interest income is attributable to increase in the volume of investment securities during the period.

9 Net impairment charge on financial assets

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Allowance for impairment on loans and advance to banks (note 22)	(901,501)	(23,521)	(851,301)	(23,521)
Allowance for impairment on loans and advance to customers (note 23) (a)	(7,120,465)	(3,141,617)	(6,889,148)	(2,906,788)
Write back/(allowance) on impairment on financial assets in other assets (note 26)	(81,358)	(210,000)	(81,358)	(210,000)
Allowance for impairment on off balance sheet items (note 34c)	(380,607)	-	(357,337)	-
Allowance for impairment on money market placement (note 18b)	(118)	-	(89)	-
(Allowance)/write back of impairment on investment securities at amortized cost (note 25 (a))	(98,125)	-	(87,427)	-
	(8,582,173)	(3,375,139)	(8,266,661)	(3,140,311)

10 (a) Fee and commission income

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Credit related fees and commissions	8,503,268	7,042,809	5,386,310	4,394,181
Account maintenance charge and handling commission	3,885,344	2,212,085	3,837,367	2,051,675
Commission on bills and letters of credit	701,006	691,130	665,863	625,209
Commissions on collections	185,846	62,670	143,722	46,961
Commission on other financial services	1,490,000	1,395,073	914,341	913,335
Commission on foreign currency denominated transactions	1,562,739	572,818	1,337,445	392,449
Channels and other E-business income	11,451,631	3,610,034	10,610,277	2,896,888
Retail account charges	162,263	41,646	108,923	805
	27,942,097	**15,628,267**	**23,004,247**	**11,321,502**

Credit related fees and commissions are fees charged to corporate customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost. These fees are accounted for in accordance with the Group's revenue accounting policy. All fees and commission recognised in the period and prior period are point in time.

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

10 (b) Fee and commission expense

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Bank and electronic transfer charges	837,794	335,957	687,251	196,129
E-banking expense	4,106,482	2,223,798	4,079,525	2,223,788
	4,944,277	**2,559,755**	**4,766,776**	**2,419,918**

Fees and commissions expenses are fees charged for the provision of services to customers transacting on alternate channels platform of the Bank and on the various debit and credit cards issued for the purpose of these payments. They are charged to the Bank on services rendered on internet banking, mobile banking and online purchasing platforms. The corresponding income lines for these expenses include the income on cards (both foreign and local cards), online purchases and bill payments included in fees and commissions

11 Net gain on financial instruments

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

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Trading gains on Fixed income securities	(2,126,693)	409,679	(2,509,207)	67,070
Derivative instruments	84,245,999	16,312,536	84,245,999	16,294,762
Fair value gain on equity investments	239,900	2,855,161	239,900	2,855,161
Total	**82,359,205**	**19,577,375**	**81,976,692**	**19,216,992**

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

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Fixed income securities	545,105	183,520	458,072	183,520
	545,105	**183,520**	**458,072**	**183,520**
Total	**82,904,311**	**19,760,895**	**82,434,764**	**19,400,512**

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

Fair value gain on equity investments is from investments in which the Bank has interests. As required by IFRS 9, the Bank measures changes in fair value of equity investments through profit or loss
Gain on derivative instruments are from transactions to which the Bank is a party in the normal course of business and are held at fair value. Derivative financial instruments consist of forward, swap and future contracts.

12 Net foreign exchange loss

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Foreign exchange trading loss	(1,458,885)	10,911,946	(4,330,290)	6,219,180
Unrealised foreign exchange loss on revaluation	(53,259,076)	(4,701,122)	(53,259,076)	(2,677,598)
	(54,717,961)	**6,210,824**	**(57,589,366)**	**3,541,582**

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

13 Other operating income

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Dividends on equity securities	2,042,451	2,416,992	2,042,451	2,416,992
Gain on disposal of property and equipment	2,503,929	-	2,500,637	-
Rental income	1,454	2,362	-	-
Bad debt recovered	15,715,528	134,301	15,706,493	87,624
Cash management charges	199,656	210,471	199,656	210,471
Income from agency and brokerage	61,181	130,964	61,181	130,962
Income from asset management	1,021,225	1,025,120	1,021,225	1,025,120
Income from other investments	187,442	156,592	5,665	-
Income from other financial services	64,955	3,669,282	13,158	3,557,442
	21,797,821	**7,746,086**	**21,550,466**	**7,428,612**

14 Personnel expenses

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Wages and salaries	18,576,171	11,924,170	14,581,979	8,053,203
Increase in defined benefit obligation (see note 37 (a) (i))	250,000	250,000	250,000	250,000
Contributions to defined contribution plans	525,767	396,878	353,635	201,751
Restricted share performance plan (b)	280,565	214,975	280,565	214,975
	19,632,503	**12,786,022**	**15,466,178**	**8,719,928**

15 Other operating expenses

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Premises and equipment costs	4,145,187	2,587,153	3,706,724	1,942,510
Professional fees	1,759,189	1,548,044	1,386,718	1,249,416
Insurance	708,199	233,379	638,098	169,164
Business travel expenses	2,681,332	1,825,319	2,507,949	1,649,398
Asset Management Corporation of Nigeria (AMCON) surcharge (see note (a) below)	17,521,837	11,332,437	17,521,837	11,332,437
Bank charges	2,661,063	60,501	2,354,392	60,501
Deposit insurance premium	3,714,760	2,293,336	3,664,000	2,293,336
Auditor's remuneration	230,162	162,138	175,000	115,000
Administrative expenses	8,740,538	4,757,720	8,535,073	4,188,389
Board expenses	427,215	393,797	328,321	340,619
Communication expenses	501,415	1,094,471	187,910	902,384
IT and e-business expenses	5,549,270	3,147,334	4,767,057	2,519,394
Outsourcing costs	4,739,114	2,310,421	4,471,104	2,070,899
Advertisements and marketing expenses	1,395,225	960,750	1,291,369	904,431
Recruitment and training	1,065,506	853,300	985,029	776,312
Events, charities and sponsorship	2,106,408	1,096,907	2,042,707	1,046,613
Periodicals and subscriptions	128,470	177,425	56,870	118,207
Security expenses	1,354,623	628,575	1,196,139	544,895
Cash processing and management cost	2,603,126	558,730	2,601,457	525,144
Stationeries, postage and printing	495,317	219,395	400,645	139,869
Office provisions and entertainment	227,528	134,215	141,589	84,523
Rent expenses	795,938	1,049,039	383,829	503,342
	63,551,426	37,424,386	59,343,818	33,476,782

(a) This represents the Group's accruals for the AMCON's sinking fund contribution for the period ended 31 March 2020. All deposit money banks in Nigeria are required to contribute 0.5% of total assets including contingent assets as at the preceding year end to AMCON's sinking fund in line with existing guidelines. It is non-refundable and does not represent any ownership interest nor does it confer any rights or obligations (save to pay the levy) on the contributor.

17 Earnings per share

(a) Basic from continuing operations

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

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Profit for the period from continuing operations	40,409,087	40,627,417	29,790,317	30,736,583
Weighted average number of ordinary shares in issue	33,890,912	29,663,222	33,890,912	29,663,222
Weighted average number of treasury Shares	563,505	522,297	-	-
	33,327,408	29,140,926	33,890,912	29,663,222
In kobo per share				
Basic earnings per share from continuing operations	121	139	88	104

Diluted EPS

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

In thousands of Naira	Group March 2020	Group March 2019	Bank March 2020	Bank March 2019
Profit for the period from continuing operations	40,409,087	40,627,417	29,790,317	30,736,583
Weighted average number of ordinary shares in issue	33,890,912	29,663,222	33,890,912	29,663,222
In kobo per share				
Diluted earnings per share from continuing operations	119	137	88	104

18 Cash and balances with banks

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Cash on hand and balances with banks (see note (i))	609,011,299	457,085,624	497,925,337	346,003,407
Unrestricted balances with central banks	49,464,928	117,883,814	18,916,821	97,734,073
Money market placements	19,774,840	48,838,459	3,547,920	32,822,516
Other deposits with central banks (see note (ii)	50,850,984	99,347,553	50,850,984	99,347,553
	729,102,050	**723,155,450**	**571,241,062**	**575,907,549**
ECL on Placements	(91,564)	(91,447)	(1,364)	(1,275)
	729,010,487	**723,064,003**	**571,239,698**	**575,906,273**

(i) Included in cash on hand and balances with banks is an amount of N16.15Bn (31 Dec 2019: N25.97Bn) representing the Naira value of foreign currencies held on behalf of customers to cover letter of credit transactions. The corresponding liability is included in customer's deposit for foreign trade reported under other liabilities (see Note 34). This has been excluded for cash flow purposes.

(ii) The balance of N50.85bn represents the nominal value of outstanding forward contracts entered on behalf of customers, with the Central Bank of Nigeria.

Movement in ECL on Placements

	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Opening balance at beginning of the period	91,447	3,206	1,275	742
Impact of IFRS 9 application	-	-	-	-
Acquired from business combination	-	4,064	-	4,064
Additional allowance	-	-	-	-
-Charge for the period	118	91,339	89	534
Write off	-	(7,161)	-	(4,064)
Closing balance	**91,564**	**91,447**	**1,364**	**1,275**

19 Investment under management

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Relating to unclaimed dividends:				
Government bonds	2,136,776	2,054,650	2,136,776	2,054,650
Placements	10,170,321	9,779,427	10,170,321	9,779,427
Commercial paper	7,123,511	6,849,720	7,123,511	6,849,720
Nigerian treasury bills	4,451,923	4,280,814	4,451,923	4,280,814
Mutual funds	3,005,206	2,889,702	3,005,206	2,889,702
Eurobonds	2,535,081	2,437,646	2,535,081	2,437,646
	29,422,819	**28,291,959**	**29,422,819**	**28,291,959**

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

20 Non pledged trading assets

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Government bonds	48,990,078	40,021,277	1,084,726	2,222,417
Treasury bills	113,249,159	89,797,961	105,256,876	74,749,344
Equity securities	-	-	-	-
	162,421,162	**129,819,238**	**106,523,526**	**76,971,761**

21 Derivative financial instruments

In thousands of Naira	Notional amount March 2020	Fair Value Assets/ (Liabilities) March 2020	Notional amount December 2019	Fair Value Assets/ (Liabilities) December 2019
Group				
Foreign exchange derivatives				
Total derivative assets	1,088,736,210	261,648,408	1,200,294,464	143,520,553
Non-deliverable future contracts	-	21,008,508	-	1,073,677
Forward and swap contracts	1,142,555,543	240,639,900	1,215,811,042	142,446,876
Total derivative liabilities	198,980,939	(38,798,582)	82,812,664	(6,885,679)
Non-deliverable future contracts	-	(17,130,370)	-	(1,027,272)
Forward and swap contracts	198,980,939	(21,668,214)	82,812,664	(5,858,408)

	Notional amount March 2020	Fair Value Assets/ (Liabilities) March 2020	Notional amount December 2019	Fair Value Assets/ (Liabilities) December 2019
Bank				
Foreign exchange derivatives				
Total derivative assets	1,077,504,130	259,195,139	1,150,759,629	143,480,073
Non-deliverable future contracts	-	21,008,508	-	1,073,677
Forward and swap contracts	1,077,504,130	238,186,631	1,150,759,629	142,406,396
Total derivative liabilities	218,662,246	(38,500,837)	78,393,273	(6,827,293)
Non-deliverable future contracts	-	(17,130,370)	-	(1,027,272)
Forward and swap contracts	218,662,246	(21,370,468)	78,393,273	(5,800,021)

Derivative financial instruments consist of forward, swap and future contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates of between 30 days and a year. All derivative contracts are considered to be valued with reference to data obtained from the Financial Market Dealer Quotation (FMDQ).

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

22 Loans and advances to banks

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Loans and advances to banks	232,570,955	154,450,204	217,683,704	165,774,988
Less allowance for impairment losses	(323,988)	(1,625,123)	(52,527)	(1,361,987)
	232,246,968	152,825,081	217,631,177	164,413,001

Group

Impairment allowance for loans and advances to banks
In thousands of Naira

	March 2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade:				
Investment	323,988	-	-	323,988
Standard grade	-	-		-
Non Investment	-	-	-	-
Total	323,988	-	-	323,988

	March 2020			
	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2020	(6,986)	-	(1,618,137)	(1,625,124)
-Charge for the period:				
Total net P&L charge during the period	(357,449)	-	(544,052)	(901,501)
Amounts written off			2,162,189	2,162,189
Foreign exchange revaluation	40,448			40,448
At 31 March 2020	(323,988)	-	-	(323,988)

Impairment allowance for loans and advances to banks
In thousands of Naira

	December 2019			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade:				
Investment	270,188	-	-	270,188
Standard grade	-	-	-	-
Non Investment	-	-	1,354,935	1,354,935
Total	270,188	-	1,354,935	1,625,122

	Stage 1	Stage 2	Stage 3	
ECL allowance as at 1 January 2019	35,178	-	45,026	80,203
Acquired from Business Combination	3,245	-	4,154	7,399
-Charge for the period:	-	-	-	-
Total net P&L charge during the period	231,765	-	1,305,755	1,537,520
Amounts written off	-	-	-	-
At 31 December 2019	**270,188**	**-**	**1,354,935**	**1,625,122**

Bank

Loans to banks
In thousands of Naira

	March 2020			
	Stage 1	Stage 2	Stage 3	Total ECL
Internal rating grade:				
Investment	52,527	-	-	52,527
Standard grade	-	-	-	-
Non Investment	-	-	-	-
Total	**52,527**	**-**	**-**	**52,527**

	March 2020			
	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2020	(6,986)	-	(1,355,001)	(1,361,987)
-Charge for the period:				
Total net P&L charge during the period	(44,113)	-	(807,188)	(851,301)
Amounts written off			2,162,189	2,162,189
Foreign exchange revaluation	(1,428)	-	-	(1,428)
At 31 March 2020	**(52,527)**	**-**	**-**	**(52,527)**

Impairment allowance for loans and advances to banks
In thousands of Naira

	December 2019			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade:				
Investment	6,986	-	-	6,986
Standard grade	-	-	-	-
Non Investment	-	-	1,355,001	1,355,001
Total	**6,986**	**-**	**1,355,001**	**1,361,987**

	December 2019			
	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2019	35,178	-	45,027	80,205
Acquired from Business Combination	-	-	-	-
-Charge for the period:	-	-	-	
Total net P&L charge during the period	(28,125)	-	1,309,908	1,281,782
Amounts written off	-	-	-	-
At 31 December 2019	**7,053**	**-**	**1,354,935**	**1,361,987**

23 Loans and advances to customers

a Group

In thousands of Naira	March 2020
Loans to individuals	
Retail Exposures	
Auto Loan	15,032,169
Credit Card	18,028,082
Finance Lease (note 23c)	261,763
Mortgage Loan	83,621,900
Overdraft	9,412,583
Personal Loan	57,585,157
Term Loan	16,516,353
Time Loan	6,427,228
	206,885,234
Less allowance for expected credit loss	(5,755,276)
	201,129,958

Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,038,397
Credit Card	309,210
Finance Lease (note 23c)	5,562,426
Mortgage Loan	62,354,876
Overdraft	391,525,059
Personal Loan	-
Term Loan	2,090,243,684
Time Loan	355,207,605
	2,908,241,257
Less allowance for expected credit loss	(192,608,235)
	2,715,633,021

Loans and advances to customers (Individual and corporate entities and other organizations)	3,115,126,492
Less allowance for expected credit loss	(198,363,512)
	2,916,762,980

ECL allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

	March 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Standard grade	913,723	656,379	-	1,570,102
Non-Investment	-	852,758	3,332,416	4,185,174
Total	**913,723**	**1,509,137**	**3,332,416**	**5,755,276**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	712,723	1,223,766	3,239,997	5,176,486
- Charge for the period:	-	-	-	
Total net P&L charge during the period	183,115	286,067	29,251	498,433
Amounts written off	-	-	(215,733)	(215,733)
Translation difference	17,885	(696)	278,902	296,091
At 31 March 2020	895,837	1,509,832	3,053,510	5,755,276

Loans to corporate entities and other organizations
In thousands of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	4,105,141	34,984,832	-	39,089,973
Standard grade	17,346,336	29,860,138	-	47,206,474
Non-Investment	-	46,340,578	59,971,210	106,311,788
Sub-standard grade				
Total	21,451,476	111,185,549	59,971,210	192,608,234

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	20,708,736	109,914,847	55,590,669	186,214,252
- Charge for the period:	-	-	-	
Total net P&L charge during the period	277,852	774,690	5,569,492	6,622,033
Amounts written off	-	-	(4,229,439)	(4,229,439)
Translation difference	464,889	496,012	3,040,489	4,001,390
At 31 March 2020	21,451,476	111,185,549	59,971,210	192,608,234

Group

	December 2019
In thousands of Naira	
Loans to individuals	
Retail Exposures	
Auto Loan	14,653,393
Credit Card	19,014,547
Finance Lease (note 23c)	186,896
Mortgage Loan	81,814,281
Overdraft	18,645,708
Personal Loan	52,940,646
Term Loan	15,736,788
Time Loan	6,853,714
	209,845,973
Less Allowance for ECL/Impairment losses	(5,176,485)
	204,669,488
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,203,006
Credit Card	325,196
Finance Lease (note 23c)	4,959,983
Mortgage Loan	61,060,992
Overdraft	281,083,142
Term Loan	2,169,523,811
Time Loan	372,968,343
	2,893,124,472
Less Alowance for ECL/Impairment losses	(186,214,253)
	2,706,910,219
Loans and advances to customers (Individual and corporate entities and other organizations)	3,102,970,446
Less Allowance for ECL/Impairment losses	(191,390,738)
	2,911,579,708

ECL allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

	December 2019			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	-
Standard grade	712,723	642,546	-	1,355,269
Non-Investment	-	581,220	3,239,997	3,821,217
Sub-standard grade	-	-	-	-
Total	712,723	1,223,766	3,239,997	5,176,486

	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2019	542,505	490,339	4,641,687	5,674,531
Acquired from Business Combination	3,778,488	257,325	6,028,142	10,063,955
- Charge for the period				
Total net P&L charge during the period	(3,608,270)	476,101	(6,397,737)	(9,529,905)
Amounts written off	-	-	(1,032,094)	(1,032,094)
At 31 December 2019	712,722	1,223,765	3,239,992	5,176,485

Loans to corporate entities and other organizations

In thousands of Naira	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,918,337	27,033,881	-	28,952,218
Standard grade	18,790,398	32,848,728	-	51,639,126
Non-Investment	-	50,032,238	55,590,669	105,622,907
Total	**20,708,735**	**109,914,847**	**55,590,669**	**186,214,251**

	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2019	26,158,327	40,303,328	16,028,608	82,490,263
Acquired from Business Combination	28,717,717	41,269,036	89,170,100	159,156,853
- Charge for the period	-	-	-	
Total net P&L charge during the period	(34,167,309)	28,342,483	35,387,308	29,562,483
Amounts written off	-	-	(91,492,193)	(91,492,193)
Translation difference	-	-	6,496,846	6,496,846
At 31 December 2019	**20,708,735**	**109,914,847**	**55,590,669**	**186,214,251**

23 Loans and advances to customers

b Bank

In thousands of Naira	March 2020
Loans to individuals	
Retail Exposures	
Auto Loan	3,544,040
Credit Card	16,303,683
Finance Lease (note 23c)	144,976
Mortgage Loan	3,206,911
Overdraft	8,889,271
Personal Loan	39,192,421
Term Loan	15,472,917
Time Loan	4,618,646
	91,372,864
Less Allowance for Expected credit loss	(5,275,762)
	86,097,102
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,038,397
Credit Card	308,899
Finance Lease (note 23c)	5,186,148
Mortgage Loan	-
Overdraft	372,628,115
Term Loan	1,848,549,989
Time Loan	345,542,678
	2,575,254,226
Less Allowance for Expected credit loss	(180,572,169)
	2,394,682,057
Loans and advances to customers (Individual and corporate entities and other organizations)	2,666,627,090
Less Allowance for Expected credit loss	(185,847,931)
	2,480,779,158

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	March 2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Standard grade	817,820	656,379	-	1,474,200
Non-Investment	-	724,887	3,076,675	3,801,563
Total	**817,820**	**1,381,266**	**3,076,675**	**5,275,762**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	632,815	1,117,221	3,026,908	4,776,944
- Charge for the period:	-	-	-	
Total net P&L charge during the period	183,115	261,732	29,251	474,098
Amounts written off	-	-	(215,733)	(215,733)
Foreign exchange revaluation	1,891	2,313	236,250	240,453
At 31 March 2020	**817,820**	**1,381,266**	**3,076,675**	**5,275,762**

Loans to corporate entities and other organizations
In thousands of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	3,539,261	34,984,832	-	38,524,093
Standard grade	15,082,819	29,860,138	-	44,942,957
Non-Investment	-	43,271,688	53,833,430	97,105,118
Sub-standard grade				
Total	**18,622,080**	**108,116,659**	**53,833,430**	**180,572,169**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	18,388,167	107,357,778	50,476,532	176,222,477
Total net P&L charge during the period	216,894	738,067	5,460,090	6,415,050
Amounts written off	-	-	(4,229,439)	(4,229,439)
Foreign exchange revaluation	17,019	20,814	2,126,248	2,164,081
At 31 March 2020	**18,622,080**	**108,116,659**	**53,833,430**	**180,572,169**

23 Loans and advances to customers

b Bank

In thousands of Naira	December 2019
Loans to individuals	
Retail Exposures	
Auto Loan	3,333,527
Credit Card	17,315,389
Finance Lease (note 23c)	71,791
Mortgage Loan	2,577,130
Overdraft	18,129,969
Personal Loan	34,817,131
Term Loan	14,708,495
Time Loan	5,062,800
	96,016,232
Less Allowance for ECL/Impairment losses	(4,776,944)
	91,239,288
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,203,006
Credit Card	324,891
Finance Lease (note 23c)	4,590,176
Mortgage Loan	-
Overdraft	262,574,362
Term Loan	1,932,416,926
Time Loan	363,497,497
	2,566,606,858
Less Allowance for ECL/Impairment losses	(176,222,475)
	2,390,384,383
Loans and advances to customers (Individual and corporate entities and other organizations)	2,662,623,090
Less Allowance for ECL/Impairment losses	(180,999,419)
	2,481,623,671

Impairment allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira

	December 2019			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	-
Standard grade	632,815	642,546	-	1,275,361
Non-Investment	-	474,675	3,026,908	3,501,583
Total	**632,815**	**1,117,221**	**3,026,908**	**4,776,944**

	Stage 1	**Stage 2**	**Stage 3**	Total ECL
ECL allowance as at 1 January 2019	460,839	381,451	4,425,360	5,267,650
Acquired from Business Combination	-	-	-	-
- Charge for the period	3,778,488	257,325	6,028,142	10,063,955
Total net P&L charge during the period	-	-	-	-
Amounts written off	-	-	(1,032,094)	(1,032,094)
At 31 December 2019	**632,815**	**1,117,221**	**3,026,908**	**4,776,944**

Loans to corporate entities and other organizations

In thousands of Naira

	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,454,224	27,033,881	-	28,488,104
Standard grade	16,933,943	32,848,728	-	49,782,671
Non-Investment	-	47,475,169	50,476,532	97,951,701
Sub-standard grade				
Total	**18,388,167**	**107,357,778**	**50,476,532**	**176,222,477**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	23,517,781	37,690,006	10,800,514	72,008,301
Acquired from Business Combination	28,717,717	41,263,045	89,170,101	159,150,862
- Charge for the period	-	-	-	-
Total net P&L charge during the period	(33,847,332)	28,404,728	36,377,667	30,935,063
Amounts written off	-	-	(91,392,193)	(91,392,193)
Foreign exchange revaluation	-	-	5,520,444	5,520,444
At 31 December 2019	**18,388,167**	**107,357,778**	**50,476,532**	**176,222,477**

24 Pledged assets

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
-Financial instruments at FVOCI				
Treasury bills	66,865,704	30,388,532	66,865,704	30,388,532
Government bonds	2,791,235	-	2,791,235	-
	69,656,939	30,388,532	69,656,939	30,388,532
-Financial instruments at amortised cost				
Treasury bills	90,383,685	452,686,283	90,383,684	452,686,282
Government bonds	77,465,175	82,599,583	77,465,175	82,599,583
	167,848,861	535,285,868	167,848,860	535,285,867
-Financial instruments at FVPL				
Treasury bills	26,709,060	39,881,494	26,709,060	39,881,494
Government bonds	-	-	-	-
	26,709,060	39,881,494	26,709,060	39,881,494
	264,214,860	**605,555,893**	**264,214,859**	**605,555,892**
The related liability for assets pledged as collateral include:				
Central Bank of Nigeria (CBN)	229,447,313	251,051,432	229,447,313	251,051,432
Bank of Industry (BOI)	8,016,627	22,191,400	8,016,627	22,191,400
	237,463,940	**273,242,831**	**237,463,940**	**273,242,831**

The disclosure above does not include liabilities where actual cash was received . The other counterparties included in this category of pledged assets include FIRS, Valu card, interswitch, Nibss and others.

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. Pledged assets includes pledges to counterparties for total return swap of N 81.93bn (31 December 2019: N117.97bn). The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets. This disclosure in 24(i) is inclusive of only liabilities that actual cash has been received for.

25 Investment securities

At fair value through profit or loss *In thousands of Naira*	**Group March 2020**	**Group December 2019**	**Bank March 2020**	**Bank December 2019**
Equity securities at fair value through profit or loss (see note (i) below)	113,399,051	113,158,320	113,366,523	113,126,623

At fair value through other comprehensive income *In thousands of Naira*	**March 2020**	**December 2019**	**March 2020**	**December 2019**
Debt securities				
Government bonds	145,887,538	64,989,934	64,335,398	4,823,398
Treasury bills	385,852,163	232,813,374	271,561,737	77,897,548
Eurobonds	3,825,394	2,860,694	-	-
Corporate bonds	9,584,716	7,815,595	9,584,716	7,815,595
State government bonds	15,715,852	6,311,454	15,715,852	6,311,454
Promissory notes	9,268,293	807,619	9,268,293	807,619
	570,133,956	315,598,670	370,465,997	97,655,614
Changes in fair value of FVOCI instruments	(20,969,872)	6,477,226	(22,104,330)	7,374,863
Changes in allowance on FVOCI financial instruments	-	109,420	-	62,036
Net fair value changes in FVOCI instruments	**(20,969,872)**	**6,586,645**	**(22,104,330)**	**7,436,898**

At amortised cost *In thousands of Naira*				
Debt securities				
Treasury bills	249,033,488	379,283,381	210,584,247	341,786,029
Federal government bonds	239,522,869	255,138,534	223,375,508	240,150,170
State government bonds	7,844,668	9,236,259	7,844,668	9,236,259
FGN Promissory notes	5,976,819	10,844,042	5,976,820	10,844,043
Corporate bonds	480,942	510,162	480,942	510,162
Eurobonds	487,728	1,394,042	(0)	932,242
Gross amount	503,346,516	656,406,420	448,262,187	603,458,905
ECL on financial assets at amortized cost	(559,223)	(559,223)	(534,188)	(534,188)
Carrying amount	502,787,292	655,847,197	447,727,999	602,924,717
Total	**1,186,320,299**	**1,084,604,186**	**931,560,518**	**813,706,953**

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	**Group March 2020**	**Group December 2019**	**Bank March 2020**	**Bank December 2019**
Opening balance at 1 January 2020	111,096	1,676	63,712	1,676
Allowance written off	(11,604)	-	(10,339)	-
Additional allowance	11,604	109,420	10,339	62,036
Balance, end of year	**111,096**	**111,096**	**63,712**	**63,712**

ECL allowance on investments at amortized cost

In thousands of Naira	**Group March 2020**	**Group December 2019**	**Bank March 2020**	**Bank December 2019**
Opening balance at 1 January 2020/1 Jan 2019	559,223	17,368	534,189	17,368
Acquired from business combination	-	188,655	-	188,655
-Charge for the period	86,521	353,200	77,088	328,165
Write off	(86,521)	-	(77,088)	-
Balance, end of period	559,223	559,223	534,189	534,189

(i) Equity securities at FVPL (carrying amount)

Central securities clearing system limited	4,312,500	4,312,500	4,312,500	4,312,500
Nigeria interbank settlement system plc.	4,999,760	4,999,760	4,999,760	4,999,760
Unified payment services limited	6,732,958	6,732,958	6,732,958	6,732,958
Africa finance corporation	90,045,706	89,805,806	90,045,706	89,805,806
E-Tranzact	598,936	598,936	598,936	598,936
African export-import bank	34,396	34,396	34,396	34,396
FMDQ OTC Plc	684,900	684,900	684,900	684,900
Nigerian mortage refinance company plc.	305,227	305,227	305,227	305,227
Credit reference company	391,854	391,854	391,854	391,854
NG Clearing Limited	227,491	227,491	227,491	227,491
Capital Alliance Equity Fund	4,982,794	4,982,794	4,982,794	4,982,794
Shared agent network expansion facility	50,000	50,000	50,000	50,000
Others	32,529	31,698	-	-

	113,399,051	113,158,320	113,366,522	113,126,622

25 (b) Debt instruments other than those designated at fair value through profit or loss

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

Group — **March 2020**

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	145,887,538	-
Treasury bills	385,852,163	-
Eurobonds	3,825,394	47,385
Corporate bonds	9,584,716	19,265
State government bonds	15,715,852	44,447
Promissory notes	9,268,293	-
Total	**570,133,956**	**111,097**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	239,522,869	-	239,522,869
Treasury bills	249,033,488	-	249,033,488
Eurobonds	487,728	39,577	448,151
Corporate bonds	480,942	464,409	16,534
State government bonds	7,844,668	55,238	7,789,430
FGN Promissory notes	5,976,819	-	5,976,820
Total	**503,346,515**	**559,223**	**502,787,290**

Bank

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	64,335,398	-
Treasury bills	271,561,737	-
Corporate bonds	9,584,716	19,265
State government bonds	15,715,852	44,447
Promissory notes	9,268,293	-
Total	**370,465,997**	**63,712**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	223,375,508	-	223,375,508
Treasury bills	210,584,247	-	210,584,247
Eurobonds	(0)	14,541.18	(14,541)
Corporate bonds	480,942	464,409.24	16,533
State government bonds	7,844,668	55,236.31	7,789,432
Promissory notes	5,976,820	-	5,976,820
Total	**448,262,187**	**534,187**	**447,727,999**

Group

Financial instruments at fair value through other comprehensive income — **March 2020**
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	303,117,939	-	-	303,117,939
Standard grade	6,626,362		-	6,626,362
Non-Investment	5,854,368	-	-	5,854,368
Sub-standard grade	-	-	-	-
Total	**315,598,669**	**-**	**-**	**315,598,669**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	111,097	-	-	111,097
- Charge for the period	11,604	-	-	11,604
Amounts written off	(11,604)	-	-	(11,604)
At 31 March 2020	**111,097**	**-**	**-**	**111,097**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	494,533,176	-	-	494,533,176
Standard grade	5,324,594	-	-	5,324,594
Non-Investment	4,373,465	-	-	4,373,465
Sub-standard grade	932,242	47,632	462,530	1,442,404
Total	**505,163,477**	**47,632**	**462,530**	**505,673,639**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	94,814	1,879	462,530	559,223
Acquired from business combination	-	-	-	-
New assets originated or purchased				
- Charge for the period	-	-	86,521	86,521
Amounts written off	-	-	(86,521)	(86,521)
At 31 March 2020	**94,814**	**1,879**	**462,530**	**559,223**

March 2020

Bank

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

	stage 1	Stage 2	Stage 3	Total
Internal rating grade			-	-
Investment	88,035,577	-	-	88,035,577
Standard grade	3,765,668	-	-	3,765,668
Non-Investment	-	-	-	-
Sub-standard grade	5,854,368	-	-	5,854,368
Total	**97,655,613**	**-**	**-**	**97,655,613**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	63,712	-	-	63,712
- Charge for the period	10,339	-	-	10,339
Acquired from business combination	-	-	-	-
Amounts written off	(10,339)	-	-	(10,339)
At 31 March 2020	**63,712**	**-**	**-**	**63,712**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	592,780,242	-	-	592,780,242
Standard grade	4,862,794	-	-	4,862,794
Non-Investment	4,373,465	-	-	4,373,465
Sub-standard grade	932,242	47,632	462,530	1,442,404
Total	**602,948,743**	**47,632**	**462,530**	**603,458,905**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	69,778	1,879	462,530	534,188
New assets originated or purchased	-	-	-	-
- Charge for the period	-	-	77,088	77,088
Amounts written off	-	-	(77,088)	(77,088)
At 31 March 2020	**69,778**	**1,879**	**462,530**	**534,187**

26 Restricted deposits and other assets

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Financial assets				
Accounts receivable	129,990,352	86,028,924	115,289,151	76,387,882
Receivable on E-business channels	33,040,459	61,158,239	32,834,893	60,961,016
Receivable from disposal of non-current asset	-	-	-	-
Deposit for investment in AGSMEIS (see note (a)below)	9,685,037	9,685,037	9,685,037	9,685,037
Subscription for investment (see note (b)below)	17,844,538	16,873,391	17,844,538	16,873,391
Restricted deposits with central banks (see note (c)below)	986,333,766	848,846,574	961,935,439	810,636,067
	1,176,894,153	1,022,592,166	1,137,589,059	974,543,393
Non-financial assets				
Prepayments	29,059,029	37,023,629	22,427,069	34,102,137
Inventory (see note (d)below)	2,176,964	1,903,980	1,875,720	1,509,522
	31,235,993	38,927,609	24,302,789	35,611,659
Gross other assets	1,208,130,145	1,061,519,776	1,161,891,847	1,010,155,051
Allowance for impairment on financial assets				
Accounts receivable	(5,985,780)	(5,984,322)	(5,852,987)	(5,819,762)
Subscription for investment	(25,002)	(25,002)	(25,001)	(25,001)
	1,202,119,362	**1,055,510,451**	**1,156,013,858**	**1,004,310,287**
Classified as:				
Current	1,173,060,334	1,018,486,823	1,133,586,789	970,208,150
Non current	29,059,029	37,023,629	22,427,069	34,102,137
	1,202,119,363	**1,055,510,452**	**1,156,013,858**	**1,004,310,287**

Movement in allowance for impairment on other assets:

In thousands of Naira	**Group Accounts Receivable**	**Group subscription for investments**	**Bank Accounts Receivable**	**Bank subscription for investments**
Balance as at 1 January 2019	1,907,699	25,001	1,808,352	25,001
ECL allowance for the period:				
- Additional provision	-	-	-	-
Acquired from business combination	7,311,549	-	7,231,695	-
- Provision no longer required	(3,200,712)	-	(3,220,284)	-
-Transalation difference	(34,214)	-	-	-
Net impairment	4,076,623	-	4,011,411	-
Allowance written off	-	-	-	-
Balance as at 31 December 2019/1 January 2020	5,984,322	25,001	5,819,763	25,001
ECL allowance for the period:				
- Charge for the period	81,358	-	81,358	-
Net ECL allowance	81,358	-	81,358	-
Allowance written off	(79,900)	-	(48,134)	-
Balance as at 31 March 2020	5,985,780	25,001	5,852,987	25,001

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

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

(c) Restricted deposits with central banks comprise the cash reserve requirements of the Central Bank of Nigeria and other central banks of jurisdictions that the Group operates in as well as the special intervention fund with the Central Bank of Nigeria of N89.58Bn introduced in January 2016 as a reduction in the cash reserve ratio with a view of channeling the reduction to financing the real sector. These balances are not available for day to day operations of the Group.

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

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

Set out below are the group's subsidiaries as at 31 March 2020. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

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

			Ownership interest	
	Nature of business	**Country of incorporation**	**March 2020**	**December 2019**
Access Bank Gambia Limited	Banking	Gambia	88%	88%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	97%	97%
Access Bank Rwanda Limited	Banking	Rwanda	75%	75%
Access Bank Zambia	Banking	Zambia	70%	70%
The Access Bank UK	Banking	United Kingdom	100%	100%
Access Bank R.D. Congo	Banking	Congo	100%	100%
Access Bank Ghana	Banking	Ghana	93%	93%
Access Pension Fund Custodian	Custody	Nigeria	100%	100%
Diamond Finance BV	Banking	Netherlands	0%	0%
Access Bank Guinea S.A	Banking	Guinea	100%	100%

Diamond Finance B.V. is a structured entity, incorporated on former Diamond Bank's behalf by intertrust (a Netherlands corporate finance company) for the sole purpose of issuing loan participatory notes to interested parties for the purpose of funding a subordinated facility to former Diamond Bank. Access Bank (hereafter known as "The Bank") has determined that it has control over the entity due to the power it has to direct relevant activities of the entity. The Bank has no direct holdings in the entity. The former Diamond Bank issued dollar denominated notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor which is 7 years while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the loan participatory Notes was used by the issuer (Diamond Finance BV) for the sole purpose of providing a loan to former Diamond Bank, which was used by the erstwhile Diamond Bank to support its business expansion and development. The bank unconditionally and irrevocably guaranteed the due payment of all sums by the issuer (Diamond Finance BV) in respect of the Notes.

The Bank obtained the Central Bank of Guinea's approval to setup a subsidiary in the country. The approval was granted on 31st December, 2019 after prior approval by the Central Bank of Nigeria. The Bank has 100% ownership in the subsidiary

The Group has divested from its investment in Diamond Bank UK. See note 48 for details

(ii) Structured entities:

			Ownership interest	
	Nature of business	**Country of incorporation**	**March 2020**	**December 2019**
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

27(b)(i) Investment in subsidiaries

In thousands of Naira	**Bank March 2020**	**Bank December 2019**
Subsidiaries with continuing operations		
Access Bank, UK	60,044,822	60,044,822
Access Bank, Ghana	32,195,607	32,195,607
Access Bank Rwanda	5,220,925	1,578,825
Access Bank, Congo	13,205,190	13,205,190
Access Bank, Zambia	4,274,925	4,274,925
Access Bank, Gambia	7,061,501	7,061,501
Access Bank, Sierra Leone	3,398,136	1,582,486
Access Bank, Guinea	5,441,100	5,441,100
Investment in RSPP scheme	4,074,254	4,074,254
Access Bank Pension Fund Custodian	2,000,000	2,000,000
Balance, end of period	**136,916,459**	**131,458,709**

Based on the contractual arrangements between the Bank and the shareholders in each of the entities, the Bank has the power to appoint and remove the majority of the board of Directors of each entity.

The relevant activities of each of the listed subsidiaries are determined by the Board of Directors of each entity based on simple majority shares. Therefore, the directors of the Bank concluded that the Bank has control over each of the above listed entities and were consolidated in the Bank financial statements.

All investment in subsidiaries have been classified as non current with a closing balance of N136.92Bn

27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated en March 2020 are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Dimaond Bank B.V.	Access Bank Guinea	Access Bank PFC
Operating income	8.080.760	10.314.800	906.642	1.399.295	841.523	262.085	380.901	-	-	-	129.835
Operating expenses	(2.671.052)	(3.714.862)	(669.503)	(1.245.008)	(536.882)	(193.780)	(232.698)	-	(10.142)	-	(93.882)
Net impairment loss on financial assets	-	(243.242)	-	-	(75.038)	2.778	(11)	-	-	-	-
Profit before tax	5.409.709	6.356.696	237.140	154.287	229.603	71.083	148.192	-	(10.141)	-	35.953
Income tax expense	(1.228.026)	-	(69.417)	(54.000)	(68.881)	(11.703)	(37.048)	-	-	-	-
Profit for the period	4.181.683	6.356.696	167.723	100.286	160.722	59.378	111.145	-	(10.141)	-	35.953
Assets											
Cash and cash equivalents	108.740.629	84.267.085	13.685.930	36.887.199	8.135.585	2.805.281	1.798.333	-	9.707	5.441.100	3.559.083
Non pledged trading assets	-	55.897.635	-	-	-	-	-	-	-	-	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	2.155.523	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	270.331.784	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	335.112.650	62.554.055	9.386.069	21.489.446	5.386.696	1.089.604	921.325	-	19.584.080	-	50.804
Investment securities	105.014.578	104.386.235	15.488.224	-	14.895.946	8.683.219	6.291.579	-	-	-	-
Investment properties	-	-	-	-	-	-	-		-	-	200.000
Other assets	2.801.842	10.930.111	724.075	1.786.609	3.074.364	2.355.180	659.459	-	2.708	-	52.824
Investment in associates	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	702.125	-	-	-	-	-	-	4.776.379	-	-	-
Property and equipment	2.880.331	10.218.027	1.880.179	3.229.700	516.204	848.985	413.239	-	-	-	813.769
Intangible assets	511.751	120.645	729.375	100.032	61.698	101.816	25.823	-	(3.223)	-	62.811
Deferred tax assets	-	1.608.769	-	-	348.412	2.727	47.913	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
	828.251.215	329.982.563	41.893.850	63.492.985	32.418.906	15.886.812	10.157.671	4.776.379	19.593.271	5.441.100	4.739.291
Financed by:											
Deposits from banks	405.722.169	8.084.789	-	-	1.314.981	-	911.255	-	-	-	-
Deposits from customers	284.154.730	219.080.333	31.705.612	47.471.748	24.461.471	11.192.228	5.313.997	-	-	-	-
Derivative Liability	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	3.835	12.260	-	-	3.462	-	-	-	-	-	-
Current tax liabilities	964.527	(2.214.393)	71.881	166.256	59.504	-	37.959	-	1.652	-	14.938
Other liabilities	11.529.717	5.456.968	2.415.618	2.368.124	434.391	1.071.227	290.692	-	1.059	-	257.817
Interest-bearing loans and borrowings	-	40.254.327	-	-	378.329	-	-	-	19.590.906	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	81.633	-	157.771	-	-	-	-	-	-	-	11.498
Equity	125.794.601	59.308.279	7.542.968	13.486.858	5.766.766	3.623.357	3.603.768	4.776.379	(348)	5.441.100	4.455.038
	828.251.211	329.982.563	41.893.850	63.492.986	32.418.905	15.886.812	10.157.672	4.776.379	19.593.270	5.441.100	4.739.291
Net cashflows from investing activities	(10.364.793)	(6.908.944)	(5.026.051)	(1.446.798)	(3.904.789)	(1.076.558)	(1.078.188)	-	-		180.403
Net cashflows from financing activities	-	13.402.981	(230.100)	6.969.344	(16.781)	-	381.034	-	-		-
Increase in cash and cash equivalents	(157.422.881)	29.751.743	(3.880.837)	8.790.544	(241.169)	(69.621)	616.953	-	-		55.250
Cash and cash equivalent, beginning of period	324.117.060	99.138.778	17.372.132	21.928.507	10.293.915	-	409.045	-	-		3.788.264
Effect of exchange rate fluctuations on cash held	(24.219)	2.511.232	-	-	-	-	-	-	-		-
Cash and cash equivalent, end of period	166.669.958	131.401.753	13.491.295	30.719.051	10.052.746	(69.621)	1.025.998	-	-		3.843.514

27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at December 2019 are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.	Access Bank Guinea	Access Bank PFC
Operating income	30,700,960	27,282,293	3,309,812	5,366,496	3,226,305	989,164	1,036,398	-	32,686	-	755,042
Operating expenses	(9,807,591)	(14,166,009)	(2,902,144)	(4,752,778)	(2,191,053)	(789,625)	(761,181)	-	(28,590)	-	(372,996)
Net impairment loss on financial assets	(348,543)	1,655,758	(54,167)	(92,104)	(283,921)	(7,979)	(5,664)	-	-	-	-
Profit before tax	20,544,826	14,772,042	353,501	521,614	751,331	191,560	269,553	-	4,096	-	382,046
Income tax expense	(4,606,537)	(3,113,081)	(101,387)	(438,714)	(241,987)	(46,971)	(69,386)	-	-	-	-
Profit for the year	15,938,289	11,658,961	252,114	82,900	509,344	144,589	200,168	-	4,096	-	382,046
Assets											
Cash and cash equivalents	187,344,128	68,941,205	12,676,174	38,494,916	9,478,061	4,972,172	1,157,626	-	8,692	5,441,100	4,273,554
Non pledged trading assets	-	52,847,477	-	-	-	-	-	-	-	-	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	(17,907)	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	237,020,069	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	320,199,158	75,020,624	10,065,537	17,963,784	4,566,126	1,237,361	842,481	-	18,629,195	-	44,578
Investment securities	149,464,151	77,975,923	12,393,343	-	18,545,310	8,257,406	4,261,099	-	-	-	-
Investment properties	-	-	-	-	-	-	-		-	-	200,000
Other assets	3,130,785	6,229,773	301,298	1,413,911	2,559,750	829,531	736,115	-	688	-	21,275
Investment in associates	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	721,660	-	-	-	-	-	-	4,795,913	-	-	-
Property and equipment	1,352,209	14,327,417	1,911,436	3,117,354	659,043	746,674	402,984	-	-	-	62,666
Intangible assets	548,145	127,784	683,890	58,027	72,624	99,076	18,274	-	(3,223)	-	94,453
Deferred tax assets	-	2,351,401	-	991,418	431,757	2,708	45,890	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
	899,762,399	297,821,606	38,031,678	62,039,410	36,312,673	16,144,928	7,464,469	4,795,913	18,635,352	5,441,100	4,696,527
Financed by:											
Deposits from banks	488,810,476	13,684,596	-	-	4,896	-	599,308.77	-	-	-	-
Deposits from customers	281,021,142	189,142,072	31,322,448	41,347,878	28,265,734	11,389,389	5,008,829	-	-	-	-
Derivative Liability	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	2,772	11,877	-	172,366	3,962	-	-	-	-	-	-
Current tax liabilities	2,369,088	(561,481)	1,614	159,499	136,719	-	-	-	1,597	-	14,938
Other liabilities	9,757,522	6,890,321	2,713,263	2,688,965	524,984	1,207,319	281,639	-	11,591	-	225,345
Interest-bearing loans and borrowings	-	36,925,884	-	5,247,682	365,038	-	-	-	18,612,805	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	64,376	1,090,487	152,671	462,398	-	-	-	-	-	-	11,498
Equity	117,737,019	50,637,850	3,841,683	11,960,623	7,011,339	3,548,220	1,574,693	4,795,913	9,358	5,441,100	4,444,746
	899,762,395	297,821,606	38,031,678	62,039,411	36,312,672	16,144,928	7,464,470	4,795,913	18,635,351	5,441,100	4,696,527
Net cashflows from investing activities	(10,368,430)	(73,469,476)	(8,553,221)	(2,427,648)	(2,120,854)	(2,052,913)	(1,348,947)	-	-		180,403
Net cashflows from financing activities	13,719,022	11,202,804	(1,586,643)	7,400,164	(32,435)	-	-	-	-		-
Increase in cash and cash equivalents	(159,163,270)	(29,070,088)	(5,521,165)	16,362,390	9,478,151	1,165,550	158,098	-	-		55,250
Cash and cash equivalent, beginning of year	371,734,932	95,315,484	16,831,393	21,834,296	9,592,287	3,771,388	376,383	-	-		3,788,264
Effect of exchange rate fluctuations on cash held	522,957	3,947,968	-	-	-	-	-	-	-		-
Cash and cash equivalent, end of year	213,094,445	70,193,363	11,310,229	38,196,686	(114,136)	4,936,938	534,482	-	-		3,843,514

28 (a) Property and equipment

Group

In thousands of Naira	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost							
Balance at 1 January 2020	120,498,322	31,754,879	33,124,341	68,788,535	23,216,355	16,437,297	293,819,729
Acquisitions	607,915	-	2,636,627	2,730,554	644,099	1,716,502	8,335,697
Disposals	(6,204,072)	(417,450)	(564,243)	(685,423)	-	-	(7,871,189)
Transfers	188,611	-	-	-	-	(188,611)	-
Reclassifications	-	-	(172,542)	172,542	-	-	-
Translation difference	1,436,644	-	(465,830)	(302,810)	(183,966)	(38,189)	445,849
Balance at 31 March 2020	**116,527,422**	**31,337,429**	**34,558,353**	**70,703,399**	**23,676,490**	**17,926,999**	**294,730,086**
Balance at 1 January 2019	68,441,819	11,112,045	24,759,848	54,155,039	18,327,865	7,562,637	184,359,253
Acquired from business combination	45,822,253	20,507,420	1,711,188	6,638,063	1,351,558	219,213	76,249,695
Acquisitions	4,575,475	133,912	5,690,378	8,803,828	4,630,846	13,671,137	37,505,576
Disposals	(100,089)	-	(774,895)	(469,225)	(1,124,802)	-	(2,469,010)
Transfers	4,220,645	1,502	-	705,939	249,682	(5,177,767)	-
Write-offs	(36,266)	-	-	(4,064)	-	(94,008)	(134,339)
Translation difference	(2,425,516)	-	1,737,822	(1,041,046)	(218,796)	256,084	(1,691,453)
Balance at 31 December 2019	120,498,322	31,754,879	33,124,341	68,788,535	23,216,355	16,437,297	293,819,723

Depreciation and impairment losses	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2020	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,414
Charge for the period	651,418	-	938,832	2,814,809	934,663	-	5,339,721
Disposal	(990,604)	-	(532,687)	(565,386)	-	-	(2,088,676)
Write-Offs	-	-	-	-	-	-	-
Translation difference	775,928	-	(959,787)	(249,224)	(50,214)	-	(483,297)
Balance at 31 March 2020	**17,526,452**	**-**	**23,717,878**	**45,553,080**	**12,761,754**	**-**	**99,559,162**
Balance at 1 January 2019	14,840,634	-	21,299,150	34,740,360	9,810,386	-	80,690,530
Charge for the period	2,489,676	-	3,285,052	9,295,128	2,980,705	-	18,050,561
Disposal	(8,613)	-	(700,626)	(414,920)	(882,333)	-	(2,006,492)
Write-Offs	(33,234)	-	-	(1,898)	-	-	(35,132)
Translation difference	(198,754)	-	387,941	(65,789)	(31,453)	-	91,945
Balance at 31 December 2019	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,412

Carrying amounts	**99,000,970**	**31,337,429**	**10,840,476**	**25,150,319**	**10,914,736**	**17,926,999**	**195,170,923**
Right of use assets (see 28(b) below)	**10,591,049**	**-**	**-**	**-**	**-**	**-**	**10,591,049**
Balance at 31 March 2020	**109,592,019**	**31,337,429**	**10,840,476**	**25,150,319**	**10,914,736**	**17,926,999**	**205,761,972**
Balance at 31 December 2019	117,594,544	31,754,879	8,852,823	25,235,654	11,339,050	16,437,297	211,214,241

Depreciation charge on property plant and equipment and right of use assets

Total Depreciation charge (a+b)	**1,291,555**	**-**	**938,832**	**2,814,809**	**934,663**	**-**	**5,979,858**

The total balance for non current property, plant and equipment for the year is N197.70Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**99,000,970**	**31,337,429**	**10,840,476**	**25,150,319**	**10,914,736**	**17,926,999**	**195,170,926**
	99,000,970	**31,337,429**	**10,840,476**	**25,150,319**	**10,914,736**	**17,926,999**	**195,170,929**

28 (b) Leases
Group

This note provides information for leases where the Bank is a lessee.

i Right-of-use assets	**Land N'000**	**Building N'000**	**Total N'000**
Opening balance as at 1 January 2020	-	14,185,932	14,185,931
Additions during the period	-	1,836,027	1,836,027
Disposals during the period	-	(4,790,772)	(4,790,772)
Closing balance as at 31 March 2020	**-**	**11,231,187**	**11,231,186**
Depreciation			
Opening balance as at 1 January 2020	-	-	-
Charge for the year	-	640,137	640,137
Closing balance as at 31 March 2020	**-**	**640,137**	640,137
Net book value as at 31 March 2020	**-**	**10,591,049**	**10,591,047**

iii Amounts recognised in the statement of profit or loss

	N'000
Depreciation charge of right-of-use assets	640,137
Interest expense (included in finance cost)	237,989
Expense relating to short-term leases (included in administrative expenses)	-
Expense relating to leases of low-value assets (included in administrative expenses)	-

28 (c) Property and equipment

Bank

In thousands of Naira	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Cost							
Balance at 1 January 2020	107,059,493	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,805
Acquisitions	308,539	-	1,747,393	2,687,264	570,898	1,613,077	6,927,170
Disposals	(6,183,883)	(417,450)	(315)	(262,330)	-	-	(6,863,979)
Balance at 31 March 2020	**101,184,151**	**31,337,431**	**29,629,861**	**65,143,827**	**21,302,403**	**15,392,326**	**263,989,994**
Balance at 1 January 2019	55,008,145	11,112,047	22,322,764	47,436,345	15,853,637	6,119,044	157,851,983
Acquired from business combination	45,822,154	20,507,420	1,679,978	6,628,694	1,322,361	219,213	76,179,821
Acquisitions	3,529,489	133,912	4,572,215	8,480,739	4,361,880	11,181,145	32,259,378
Disposals	(98,889)	-	(692,174)	(437,712)	(1,041,595)	-	(2,270,370)
Transfers	2,798,592	1,502	-	610,828	235,222	(3,646,145)	-
Write-Offs	-	-	-	-	-	(94,008)	(94,008)
Balance at 31 December 2019	107,059,493	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,802

Depreciation and impairment losses	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Balance at 1 January 2020	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,614
Charge for the period (a)	554,501	-	730,332	2,520,750	839,239	-	4,644,822
Disposal	(990,604)	-	(6)	(144,445)	-	-	(1,135,054)
Balance at 31 March 2020	**13,539,674**	**-**	**20,569,051**	**41,375,514**	**11,347,144**	**-**	**86,831,382**
Balance at 1 January 2019	12,223,170	-	17,890,242	30,766,704	8,579,321	-	69,459,438
Charge for the period	1,761,219	-	2,637,675	8,642,337	2,636,135	-	15,677,366
Disposal	(990,604)	-	(689,192)	(409,833)	(707,551)	-	(1,815,189)
Balance at 31 December 2019	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,614
Carrying amounts	**87,644,477**	**31,337,431**	**9,060,810**	**23,768,315**	**9,955,260**	**15,392,326**	**177,158,616**
Right of use assets (see 28(d) below)	7,802,927	-	-	-	-	-	7,802,927
Balance at 31 March 2020	**87,644,477**	**31,337,431**	**9,060,810**	**23,768,315**	**9,955,260**	**15,392,326**	**184,961,543**
Balance at 31 December 2019	93,083,717	31,754,881	8,044,058	23,719,687	10,223,601	13,779,249	188,634,458

Depreciation charge on property plant and equipment and right of use assets

Total Depreciation charge (a+b)	**999,179**	**-**	**730,332**	**2,520,750**	**839,239**	**-**	**5,089,500**

(a) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting year. Any changes are accounted for prospectively as a change in estimate.

The total balance for non current property, plant and equipment for the period is N184.96Bn

Classified as:

Current	-	-	-	-	-	-	-
Non current	**87,644,477**	**31,337,431**	**9,060,810**	**23,768,315**	**9,955,260**	**15,392,326**	**177,158,616**
	87,644,477	**31,337,431**	**9,060,810**	**23,768,315**	**9,955,260**	**15,392,326**	**177,158,616**

28 (d) Leases
Bank

This note provides information for leases where the Bank is a lessee.

i Right-of-use assets

	Land N'000	Building N'000	Total N'000
Opening balance as at 1 January 2020	-	8,029,267	8,029,267
Acquired from business combination	-	-	-
Additions during the period	-	218,338	218,338
Disposals during the period	-	-	-
Closing balance as at 31 March 2020	**-**	**8,247,605**	**8,247,605**
Depreciation			
Opening balance as at 1 January 2020	-	-	-
Charge for the period (b)	-	444,678	444,678
Closing balance as at 31 March 2020	**-**	**444,678**	**444,678**
Net book value as at 31 March 2020	**-**	**7,802,927**	**7,802,927**

ii) Amounts recognised in the statement of profit or loss

	N'000
Depreciation charge of right-of-use assets (buildings)	444,678
Interest expense (included in finance cost)	237,989
Expense relating to short-term leases (included in administrative expenses)	-
Expense relating to leases of low-value assets (included in administrative expenses)	-

29 Intangible assets

Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Total Intangible
Cost				
March 2020				
Balance at 1 January 2020	51,276,679	1,218,345	31,147,503	83,642,527
Acquisitions	61,818	121,493	1,442,443	1,625,755
Reclassification	-	-	-	-
Write off	-	-	-	-
Translation difference	-	5,687	(40,451)	(34,764)
Balance at 31 March 2020	**51,338,497**	**1,345,525**	**32,549,496**	**85,233,520**
December 2019				
Balance at 1 January 2019	681,007	2,078,351	21,140,699	23,900,057
Arising from business combination (See note 44)	50,595,672	369,655	2,005,470	52,970,797
Acquisitions	-	883,820	6,909,093	7,792,913
Reclassification	-	(2,118,854)	2,118,854	-
Write off	-	(17,512)	(798,398)	(815,910)
Translation difference	-	22,886	(228,215)	(205,329)
Balance at 31 December 2019	51,276,679	1,218,345	31,147,503	83,642,528
Amortization and impairment losses				
Balance at 1 January 2020	-	-	17,709,774	17,709,774
Amortization for the period	-	-	1,155,152	1,155,152
Impairment charge			-	-
Write off	-	-	-	-
Translation difference	-	-	(34,195)	(34,195)
Balance at 31 March 2020	-	-	18,830,731	**18,830,731**
Balance at 1 January 2019	-	-	14,147,560	14,147,560
Amortization for the period	-	-	3,849,980	3,849,980
Impairment charge	-	-	624,642	624,642
Write off	-	-	(747,711)	(747,711)
Translation difference	-	-	(164,696)	(164,696)
Balance at 31 December 2019	-	-	17,709,774	17,709,774
Net Book Value				
Balance at 31 March 2020	**51,338,497**	**1,345,526**	**13,718,764**	**66,402,788**
Balance at 31 December 2019	681,007	2,078,351	6,993,140	65,932,754

Intangible assets

Bank

In thousands of Naira	Goodwill	WIP	Purchased Software	Total
Cost				
March 2020				
Balance at 1 January 2020	57,189,153	1,201,540	27,324,333	85,715,026
Acquisitions	61,818	94,916	1,328,217	1,484,951
Balance at 31 March 2020	**57,250,971**	**1,296,455**	**28,652,551**	**87,199,977**
December 2019				
Balance at 1 January 2019	-	2,269,477	17,391,856	19,661,334
Arising from business combination (See note 44)	57,189,153	369,655	1,940,710	59,499,518
Acquisitions	-	669,088	6,601,488	7,270,576
Reclassification	-	(2,106,680)	2,106,680	-
Write off	-	-	(716,401)	(716,401)
Balance at 31 December 2019	57,189,153	1,201,540	27,324,333	85,715,026
Amortization and impairment losses				
Balance at 1 January 2020	-	-	14,711,295	14,711,295
Amortization for the period	-	-	1,026,596	1,026,596
Write off	-	-	-	-
Impairment charge	-	-	-	-
Balance at 31 March 2020	**-**	**-**	**15,737,892**	**15,737,892**
Balance at 1 January 2019	-	-	11,430,134	11,430,134
Amortization for the period	-	-	3,363,413	3,363,413
Write off	-	-	(706,893)	(706,893)
Impairment charge	-	-	624,642	624,642
Balance at 31 December 2019	-	-	14,711,295	14,711,295
Carrying amounts				
Balance at 31 March 2020	**57,250,971**	**1,296,455**	**12,914,658**	**71,462,083**
Balance at 31 December 2019	57,189,153	1,201,540	12,613,037	71,003,729

There were no capitalised borrowing costs related to the internal development of software during the year under review, 31 March 2020 (2019: nil). Computer software has a definite useful life of not more than five years in line with the Bank's accounting policy, while Goodwill has an indefinite useful life and is annually assessed for impairment.

Amortization method used is straight line.

	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Classified as:				
Current	-	-	-	-
Non current	66,402,788	65,932,754	71,462,083	71,003,729

31a Investment properties

	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Balance at 1 January	927,000	-	727,000	-
Acquired from business combination	-	4,053,511	-	3,878,511
Additions for the period	-	2,435	-	2,435.16
Disposals during the period	-	(3,153,946)	-	(3,153,946)
Valuation gain/(loss)	-	25,000	-	-
Balance, end of period	**927,000**	**927,000**	**727,000**	**727,000**

Investment property of N927 million for the Group, represents the value of landed properties which are carried and measured at fair value. There was no rental income from such properties during the period and no restrictions on the realisability of the property.

Valuation technique used for fair valuation of investment properties
Investment properties are stated at fair value, which has been determined based on valuations performed by various Estate Surveyors and Valuers . The valuers are industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount that would be received to sell the properties in an orderly transaction between market participants at the measurement date in the principal market to which the Group has access at the date of valuation, in accordance with standard issued by the International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are reported in valuation gain on investment properties under other operating income (see note 13) . The profits or losses on disposal are also reported in the profit or loss as they occur.

The professional valuers engaged for the preparation of the valuation reports are: Chris Ogbonna and Partners (FRC/2015/NIESV/00000012246) and Jide Taiwo ((NIESV Reg No 396543) FRC/2012/0000000000254

All investment properties have been classified as non current with a carrying amount of N927 million for Group and N727 million for Bank

31b Assets classified as held for sale

The Bank obtains properties by taking possession of collaterals held as security against loans. The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations. This amount has been included in Note 7 as unallocated segment in accordance with IFRS 8.

Assets held for sale

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Balance at 1 January	24,957,518	12,241,823	24,957,518	12,241,823
Acquired from business combination	-	7,976,260	-	-
Additions	-	14,660,695	-	14,660,695
Disposals	(1,430,000)	(9,921,260)	(1,430,000)	(1,945,000)
	23,527,518	**24,957,518**	**23,527,518**	**24,957,518**

The total balance for non current financial assets held for sale for the year is N23.53Bn

Classified as:				
Current	-	-	-	-
Non current	23,527,518	24,957,518	23,527,518	24,957,518

32 Deposits from financial institutions

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Money market deposits	1,038,532,162	974,352,273	856,124,842	863,988,212
Trade related obligations to foreign banks	114,479,504	212,004,041	219,730,440	215,296,206
	1,153,011,667	**1,186,356,314**	**1,075,855,283**	**1,079,284,418**

33 Deposits from customers

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Term deposits	1,869,672,689	1,784,924,350	1,525,228,312	1,463,431,594
Demand deposits	1,752,071,623	1,681,564,464	1,514,117,714	1,453,307,535
Saving deposits	834,889,160	789,348,489	793,907,323	751,600,682
	4,456,633,472	**4,255,837,303**	**3,833,253,349**	**3,668,339,811**

34 Other liabilities

In thousands of Naira		Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Financial liabilities					
Certified and bank cheques		3,527,946	4,526,529	3,166,421	3,084,912
E-banking payables	(see (a) below)	39,520,259	64,552,944	39,227,527	64,219,999
Collections account balances	(see (b) below)	56,553,797	71,047,431	54,948,172	69,631,696
Due to subsidiaries		-	-	244,859	588,431
Accruals		26,979,459	2,185,506	25,687,232	898,422
Creditors		6,455,346	6,493,771	2,986,995	2,564,043
Payable on AMCON		1,701,606	1,701,606	1,701,606	1,701,606
Customer deposits for foreign exchange	(see (c) below)	34,643,955	39,937,507	34,643,951	39,937,459
Unclaimed dividend	(see (d) below)	15,881,375	15,881,375	15,881,375	15,881,375
Lease liabilities		8,552,945	10,325,181	5,144,700	5,244,844
Other financial liabilities		25,659,220	94,447,726	15,544,786	87,078,269
ECL on off-balance sheet	(see (e) below)	4,883,793	4,526,457	4,710,407	4,353,070
		224,359,700	315,626,032	203,888,029	295,184,124
Non-financial liabilities					
Litigation claims provision	(see (f) below)	1,401,620	1,401,620	1,401,620	1,401,620
Other non-financial liabilities		7,315,165	7,306,220	4,636,772	5,676,205
Total other liabilities		**233,076,486**	**324,333,874**	**209,926,422**	**302,261,951**
Classified as:					
Current		226,279,879	316,513,031	205,513,048	297,791,105
Non current		6,796,608	7,820,843	4,413,376	4,470,847
		233,076,486	**324,333,874**	**209,926,424**	**302,261,952**

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

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

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

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

(e) Movement in ECL on contingents	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Opening balance at 1 January 2020/31 December 2019	4,526,457	1,482,932	4,353,070	1,482,931
Acquired from business combination	-	1,679,388	-	1,679,388
Charge for the period	380,607	1,266,048	357,337	1,190,751
Revaluation difference	(23,270)	98,089	-	-
Balance, end of period	4,883,792	4,526,457	4,710,407	4,353,070

(f) Movement in litigation claims provision	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Opening balance	1,401,620	945,372	1,401,620	945,372
Additions	-	456,248	-	456,248
Closing balance	**1,401,620**	**1,401,620**	**1,401,620**	**1,401,620**

ii Lease liabilities

	Group N'000	Bank N'000
Opening balance as at 1 January 2020	10,325,181	5,244,843
Additions	1,687,011	218,338
Interest expense	263,853	237,989
Payments made during the period	(3,723,100)	(556,470)
Closing balance as at 31 March 2020	**8,552,945**	**5,144,700**
Current lease liabilities	1,756,338	731,324
Non-current lease liabilities	6,796,608	4,413,376
	8,552,945	**5,144,700**

iii) Liquidity risk (maturity analysis of undiscounted lease liabilities)

Less than 6 months	448,740	448,740
6-12 months	880,678	691,991
Between 1 and 2 years	2,275,337	1,101,322
Between 2 and 5 years	4,653,681	3,622,808
Above 5 years	1,688,012	673,341
Total contractual cashflows	**9,946,448**	**6,538,202**
Carrying amount	8,552,945	5,144,700

35 Debt securities issued

In thousands of Naira	**Group March 2020**	**Group December 2019**	**Bank March 2020**	**Bank December 2019**
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	120,733,633	110,933,768	120,733,633	110,933,768
Green Bond (see (ii) below)	14,870,177	15,426,233	14,870,177	15,426,233
Local Bond (see (iii) below)	30,479,051	31,627,876	30,479,051	31,627,876
	166,082,862	**157,987,877**	**166,082,862**	**157,987,877**

Movement in Debt securities issued:

In thousands of Naira	**Group March 2020**	**Bank March 2020**
Net debt as at 1 January 2020	157,987,877	157,987,877
Arising from business combination	-	-
Debt securities issued	-	-
Repayment of debt securities issued	-	-
Total changes from financing cash flows	157,987,876	157,987,876
The effect of changes in foreign exchange rates	6,915,129	6,915,129
Other changes		
Interest expense	4,762,644	4,762,644
Interest paid	(3,582,787)	(3,582,787)
Balance as at 31 March 2020	**166,082,862**	**166,082,862**

In thousands of Naira	**Group December 2019**	**Bank December 2019**
Net debt as at 1 January 2019	251,251,383	251,251,383
Arising from business combination	74,270,686	74,270,686
Debt securities issued	45,000,000	45,000,000
Repayment of debt securities issued	(216,208,000)	(216,208,000)
Total changes from financing cash flows	154,314,068	154,314,068
The effect of changes in foreign exchange rates	3,124,784	3,124,784
Other changes		
Interest expense	22,913,352	22,913,352
Interest paid	(22,364,327)	(22,364,327)
Balance as at 31 December 2019	**157,987,876**	**157,987,876**

(i) This refers to US$300,000,000 notes of 10.5% interest issued on 19 October 2016 with a maturity date of 19 October 2021. It represents an amortized cost of N124.88bn.

(ii)The Bank issued an unsecured green bond on March, 18, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 5 years and is due on March, 2024.

(iii) The Bank issued a local bond on July, 4, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 7 years and is due on July, 2026. The principal amount on the notes are payable at maturity, whilst interest is payable on a semi-annual basis at their respective interest rates.

36 Interest bearing borrowings

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
African Development Bank (see note (a))	18,977,669	20,939,343	18,977,669	20,939,343
Netherlands Development Finance Company (see note (b))	89,551,531	92,086,136	89,551,531	92,086,136
French Development Finance Company (see note (c))	12,371,781	15,520,364	-	-
European Investment Bank (see note (d))	40,321,230	36,380,291	12,497,077	11,543,928
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	4,930,220	4,693,167	4,930,220	4,693,167
Mashreq Bank PSC Syndicated Trade Finance Facility	-	-	-	-
International Finance Corporation (see note (f))	32,600,789	31,439,752	32,600,789	31,439,752
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (g))	7,670,072	8,038,249	7,670,072	8,038,249
Bank of Industry-Intervention Fund for SMEs (see note (h))	2,288,994	2,363,684	2,288,994	2,363,684
Bank of Industry-Power & Airline Intervention Fund (see note (i))	4,506,572	4,879,470	4,506,572	4,879,470
Special Refinancing & Restructuring Intervention fund (SRRIF) see note (j)	4,475,739	-	4,475,739	-
Central Bank of Nigeria - Salary Bailout facilities (see note (k))	61,380,525	4,846,793	61,380,525	4,846,793
Central Bank of Nigeria - Excess Crude Account (see note (l))	112,319,911	62,044,365	112,319,911	62,044,365
Real Sector And Support Facility (RSSF) (m)	18,152,659	113,557,046	18,152,659	113,557,046
Development Bank of Nigeria (DBN) (see note (n))	3,515,243	18,407,176	3,515,243	18,407,176
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see no	48,925,941	3,858,756	48,925,941	3,858,756
Nigeria Mortgage Refinance Company (NMRC) (see note (p))	5,848,058	48,978,051	5,848,058	48,978,051
Micro small and medium enterprise development fund (MSMEDF) (see note (q))	26,544	5,885,062	26,544	5,885,062
Africa Export and Import Bank (AFREXIM) (r)	81,941,370	26,544.25	81,941,370	26,544.25
Diamond finance B V (Anambra State Government (s))	20,030,860	76,850,820	20,030,860	76,850,820
BOI Power and steel (PAIF) (t)	15,516,632	18,609,362	15,516,632	18,609,362
Bank of Industry (RRF) (see note (t))	237,436	14,866,955	237,436	14,866,955
Creative Industry Financing Initiative Fund (CIFI) (u)	983,625	81,290.40	983,625	81,290
Other loans and borrowings	504,997	2,250,151	68,275	68,275
	587,078,398	**586,602,830**	**546,445,743**	**544,064,226**

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

(a) The amount of N18,977,669,294 (USD 44,188,789) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in two tranches. The first tranche of USD35 million has matured and was fully paid out in August 2016. The second tranche was disbursed in August 2014 (USD 90m) for a period of 10years, while the third tranche came in June 2016 for (USD 10m) for a period of 9 years. The principal amount is repayable semi-annually starting from February 2017 for both tranches. Interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2020..

(b) The amount of N89,551,531,095 (USD 231,692,663) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from March 2018 (USD 100m) and Feb 2019 (USD 162.5m) for a period of 5 years and 10 years respectively. The principal amount is repayable semi-annually from July 2019 and quarterly from May 2019 respectively while interest is paid semi annually at 5.5% above 6 months LIBOR and quarterly at 7.83% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(c) There is no outstanding balance in the on-lending facility granted to the Bank by the French Development Finance Company effective from 15 December 2012 and disbursed in four tranches; February 2013 (USD 6m), October 2013 (USD 15m), October 2013 (USD 9m) and November 2014 (USD 30m) for a year of 6.5 years for the first three tranches and 5 years for the fourth tranche. The principal amount is repayable semi-annually from December 2014 with the fourth tranche repayable from January 2016 while interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(d) The amount of N12,497,076,892(USD 32,333,127) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m) and March 2016 (USD 27.1m) for a period of 6 years each for the first three and a period of 8 years each for the last two. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6% and 2.6% respectively above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(e) The amount of N4,930,219,594 (USD 12,755,736) represents the outstanding balance on the on-lending facility of USD 15mn granted to the Bank by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) in December 2017 (USD 15m) for a period of 7 and a half years. The principal amount will be repayable semi-annually from May 2019 while interest is paid semi annually at 7.69% above 6months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(f) The amount of N32,600,789,129 (USD 84,346,561) represents the outstanding balance on the on-lending facility of USD 87.5mn granted to the Bank by International Finance Corporation for a period of 10 years. The principal amount will be repayable quarterly from September 2019 while interest is paid semi annually at 7.69% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(g) The amount of N7,670,072,125 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum year of 7 years at a zero percent interest rate to the Bank The Bank did not provide security for this facility. An additional NGN1bn was availed to the bank under the Paddy Aggregation Scheme (PAS) Phase 2 for a period of 12 months at 3% in October 2019. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(h) The amount of N2,288,994,152 represents an outstanding balance on the intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility has a tenor of 10 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(i) The amount of N4,506,572,035 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 13.5 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(j) The amount of N4,475,739,087 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(k) The amount of N61,380,525,455 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(l) The amount of N112,319,911,488 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(m) The amount of N18,152,658,767 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) established by CBN. The facility tenor is for a range of 7 to 10 years inclusive of 24 months moratorium at a 3% interest rate to the Bank. An additional facility of NGN2bn was disbursed under the scheme for a period of 7 years inclusive of 1 year moratorium at a 3% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(n) The amount of N3,515,243,270 represents the outstanding balance on two on-lending facilities granted to the Bank by the Development Bank of Nigeria in two series in respect of the Micro, Small and Medium Scale Enterprises (MSMEs) and Small Corporates. The facilities are for a maximum of 3 years at a 9.6% interest rate to the Bank. A third series of about 1.68bn was disbursed for a period of 10 years. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(o) The amount of N48,925,940,774 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) established by CBN supporting Reddington Multi-specialist Hospital, Dana Motors and Lafarge Africa PLC. The facility is for a maximum period of 7 years inclusive of 12 months moratorium for Reddington and Dana and a 24 months moratorium for Lafarge at a 0% interest rate to the Bank. Additional amounts were disbursed between July 2019 and November 2019 in favor of 5 other beneficiaries amounting to 34.58bn for a period of 7 years with 2 years moratorium at 2% interest rate on a quarterly basis for the first 4 counterparties and 10 years with no moratorium at 1% interest rate on a quarterly basis for the last counterparty. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(p) The amount of N5,848,057,584 represents the outstanding balance on the on-lending facility granted to the Bank by Nigeria Mortgage Refinance Company. The facility is for a maximum period of 15 years commencing from the date of execution of this agreement at a 14.5% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(q) The amount of N26,544,252 represents an outstanding balance on the on-lending facility granted to the Bank under the Central Bank of Nigeria scheme Micro, Small and medium Enterprise Development Fund (MSMEDF). The on-lending facility is for a maximum tenor of 5 years where the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% to 9% per annum depending on the beneficiary. The principal amount of the on-lending facility is repayable on a monthly basis over the tenor of the borrowing which will expire in August 2020. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(r) The amount of N81,941,369,858 (USD 212,003,234) represents the outstanding balance on the on-lending facility of USD 25mn granted to the Bank by Africa Export and Import Bank (AFREXIM) in May 2018 for a period of 3 years. The principal amount will be repayable semi-annually from November 2018 while interest is paid quaterly at 7% above 3 months LIBOR. In December 2019, AFREXIM disbursed a USD200mn for a period of 3 years to be paid quarterly with a 6 months moratorium with Interest also paid quarterly at 3.64% and LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(s) The amount N20,030,860,209 (USD 51,824,947) represents the outstanding balance on the Group's issued dollar denominated loan particpatory notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the Loan Participatory Notes, was used by the Issuer (Diamond Finance BV) for the sole purpose of providing a loan to Diamond Bank, which was in turn used by the Bank to support its business expansion and development. Diamond Bank (now Access Bank Plc), unconditionally and irrevocably guaranteed the due payment of all sums by the Issuer (Diamond Finance BV) in respect of the Notes. The Group has not had any defaults of principal or interest with respect to its subordinated liabilities during the year ended 31 December 2019. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(t) The amount of N15,754,068,370 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7%. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2020.

(u) The amount of N983,624,709 represents the outstanding balance on the on-lending facility granted to the Bank by the Central Bank of Nigeria under the Creative Industry Financing Initiative established by the CBN. The initiative is on a request by request basis. The tenor of the facilities granted ranges from 3 to 10 years inclusive of a maximum of 24 months moratorium. There are currently 5 beneficiaries under the initiative. The Bank is under obligation to on-lend to customers at an all-in interest rate of 9%. The Bank remains the primary obligor to CBN and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2020

Movement in interest bearing loans and borrowings:

In thousands of Naira	Group March 2020	Bank March 2020
Balance as at 1 January 2020	586,602,830	544,064,226
Proceeds from interest bearing borrowings	4,009,365	1,013,625
Repayment of interest bearing borrowings	(16,666,405)	(11,412,564)
Total changes from financing cash flows	573,945,788	533,665,285
The effect of changes in foreign exchange rates	14,636,410	14,706,305
Other changes		
Interest expense	6,335,932	6,037,331
Interest paid	(7,839,732)	(7,963,179)
Balance as at 31 March 2020	**587,078,399**	**546,445,743**

	Group December 2019	Bank December 2019
Balance as at 1 January 2019	388,416,734	363,682,441
Proceeds from interest bearing borrowings	245,332,824	223,834,913
Arising from business combination	92,240,672	92,240,672
Repayment of interest bearing borrowings	(142,101,478)	(138,295,724)
Total changes from financing cash flows	583,888,751	541,462,302
The effect of changes in foreign exchange rates	2,080,813	2,085,384
Other changes		
Interest expense	22,908,552	21,865,024
Interest paid	(22,275,286)	(21,348,484)
Balance as at 31 December 2019	**586,602,830**	**544,064,226**

37 Retirement benefit obligation

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Recognised liability for defined benefit obligations (see note (a) below)	3,391,778	2,319,707	3,391,778	2,319,707
Liability for defined contribution obligations	19,556	16,476	-	-
	3,411,334	**2,336,183**	**3,391,778**	**2,319,707**

(a) **Defined benefit obligations**

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

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Post employment benefit plan (see note (i) below)	3,391,778	2,319,707	3,391,778	2,319,707
Recognised liability	**3,391,778**	**2,319,707**	**3,391,778**	**2,319,707**

(i) **Post employment benefit plan**

The Bank operates a non-contributory, unfunded lump sum defined benefit post employment benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions. The scheme is also aimed at rewarding executive directors and other senior executives for the contributions to achieving the Bank's long-term growth objectives.

There is no funding arrangement with a trustee for the Post employment benefit plan as the Bank pays for all obligations from its current year profit as such obligations fall due. Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade.

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

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Deficit on defined benefit obligations at 1 January	3,418,060	2,319,707	3,418,060	2,319,707
Charge for the year:				
-Interest costs	93,299	223,940	93,299	223,940
-Current service cost	156,701	376,120	156,701	376,120
-Benefits paid	(276,282)	(415,000)	(276,282)	(415,000)
Net actuarial gain/(loss) for the year remeasured in OCI:	-	-	-	-
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	-	913,293	-	913,293
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	-	-	-	-
Balance, end of year	**3,391,778**	**3,418,060**	**3,391,778**	**3,418,060**
Expense recognised in income statement:				
Current service cost	156,701	243,070	156,701	376,120
Interest on obligation	93,299	378,523	93,299	223,940
Total expense recognised in profit and loss (see Note 14)	**250,000**	**621,593**	**250,000**	**600,060**

All retired benefit obligations have been classified as non current with a closing amount of N3.39 billion for both Group and Bank

The weighted average duration of the defined benefit obligation is 7.5 years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment.

Risk exposure

Through its defined benefit pension plan, the group is exposed toa number of risks, the most significant of which are detailed below:

i) Changes in bond yields - A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

ii) Inflation risks - Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

iii) Life expectancy - The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities

Actuarial assumptions:
Principal actuarial assumptions at the reporting date (expressed as weighted averages):
The most recent valuation was performed by Alexander Forbes as at 31 December 2019.

	March 2020	December 2019
Discount rate	16.10%	16.10%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	3.40%	3.40%
Withdrawal rate: 18 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 59 (average rate)	3.75%	3.75%

Assumptions regarding future mortality before retirement are based on A49/52 ultimate table published by the Institute of Actuaries of United Kingdom. The rate used to discount post employment benefit obligations has been determined by reference to the yield on Nigerian Government bonds of medium duration. This converts into an effective yield of 16.10% as at 31 December 2019. For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

38 Capital and reserves

A Share capital

In thousands of Naira	Bank March 2020	Bank December 2019
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each	19,000,000	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
	20,000,000	20,000,000

In thousands of Naira	Bank March 2020	Bank December 2019
(b) Issued and fully paid-up :		
35,545,225,662 Ordinary shares of 50k each	17,772,613	17,772,613

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

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

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

In thousands of Naira	Bank March 2020	Bank December 2019
Balance, beginning of the period	17,772,613	14,463,986
Additions through scheme of merger	-	3,308,627
Balance, end of the period	17,772,613	17,772,613

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

In thousands of units	Group March 2020	Group December 2019
Balance, beginning of the period	35,545,226	28,927,972
Additions through scheme of merger	-	6,617,254
Balance, end of the period	35,545,226	35,545,226

B Share premium

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

In thousands of Naira	Group March 2020	Group December 2019
Balance, beginning of the period	197,974,816	197,974,816
Additions through scheme of merger	-	36,064,034
Balance, end of the period	197,974,816	197,974,816

C Retained earnings

	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Retained earnings	267,394,854	225,118,812	222,168,935	192,378,618

D Other components of equity

	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Other regulatory reserves (see i(a) below)	92,519,480	93,322,654	83,061,699	83,061,699
Share Scheme reserve	2,162,331	1,881,768	2,162,330	1,881,767
Treasury Shares	(4,776,379)	(4,795,913)	-	-
Capital Reserve	3,489,083	3,489,083	3,489,081	3,489,081
Fair value reserve	(20,005,631)	964,243	(21,268,858)	835,472
Foreign currency translation reserve	18,161,806	11,780,013	-	-
Regulatory risk reserve	17,028,160	18,091,941	9,483,000	9,483,000
	108,578,849	**124,733,788**	**76,927,253**	**98,751,019**

(i) Other reserves

Other regulatory reserves

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

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

However, this is no longer mandatory. Therefore, no additional appropriation has been done during the period.

The small and medium scale industries equity investment scheme reserves are non-distributable.

i(a)

	Statutory reserves		SMEEIS Reserves		Total	
	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019
Group						
In thousand of Naira						
Opening	92,496,086	82,063,378	826,568	826,568	93,322,654	82,889,946
Transfers during the period	(803,174)	10,432,708	-	-	(803,174)	10,432,708
Closing	91,692,912	92,496,086	826,568	826,568	92,519,480	93,322,654
Bank						
In thousand of Naira						
Opening	82,235,132	71,199,773	826,568	826,568	83,061,700	72,026,341
Transfers during the period	-	11,035,359	-	-	-	11,035,359
Closing	82,235,132	82,235,132	826,568	826,568	83,061,700	83,061,700

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

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

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

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

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

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

(viii) Retained earnings
Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

D Non-controlling interest

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

In thousands of Naira	Group March 2020	Group December 2019
Access Bank, Gambia	692,587	720,721
Access Bank, Sierra Leone	102,649	52,367
Access Bank Zambia	1,110,535	2,139,647
Access Bank, Rwanda	2,061,615	1,110,453
Access Bank, Congo	3,885	3,248
Access Bank, Ghana	3,780,548	4,502,399
	7,751,819	**8,528,835**

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

In thousands of Naira	Group March 2020	Group December 2019
Access Bank, Gambia	7,125	17,351
Access Bank, Sierra Leone	2,801	5,044
Access Bank Zambia	48,217	152,803
Access Bank, Rwanda	41,931	63,029
Access Bank, Congo	20	17
Access Bank, Ghana	419,542	769,491
	519,636	**1,007,734**

	Group March 2020	Group December 2019
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12%
Access Bank, Sierra Leone	3%	3%
Access Bank Zambia	30%	30%
Access Bank, Rwanda	25%	25%
Access Bank Congo	0%	0%
Access Bank, Ghana	7%	7%

Transactions with non-controlling interests

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

39 Contingencies

Claims and litigation

The Group is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate.

Contingent liability and commitments

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

Nature of instruments

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

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

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

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

a. These comprise:

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Contingent liabilities:				
Transaction related bonds and guarantees	492,100,282	477,932,817	428,808,535	451,514,549
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	719,674,006	419,584,999	589,215,559	324,529,363
	1,211,774,288	**897,517,816**	**1,018,024,094**	**776,043,912**

40 Cash and cash equivalents

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

In thousands of Naira	Group March 2020	Group December 2019	Bank March 2020	Bank December 2019
Cash on hand and balances with banks	592,863,800	431,130,867	482,178,547	321,270,808
Unrestricted balances with central banks	49,464,927	117,883,813	18,916,821	97,734,073
Money market placements	19,774,841	48,838,460	3,547,919	32,822,515
Other deposits with central banks	-	-	-	-
Investment under management	24,750,961	23,799,663	24,750,961	23,799,663
Treasury bills with original maturity of less than 90days	117,386,960	604,378,216	117,386,960	604,378,216
	804,241,489	**1,226,031,019**	**646,781,208**	**1,080,005,274**

Cash and cash equivalent for the purpose of the preparation of the statement of cash flows excludes cash collaterals held for letters of credit and the mandatory cash deposit held with the Central Bank of Nigeria.

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

	Debt securities issued		Interest bearing borrowings	
	Group March 2020	Bank March 2020	Group March 2020	Bank March 2020
Net debt	157,987,877	157,987,877	586,602,830	544,064,226
Proceeds from interest bearing borrowings	-	-	4,009,365	1,013,625
Arising from business combination	-	-	-	-
Repayment of interest bearing borrowings	-	-	(16,666,405)	(11,412,564)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	157,987,877	157,987,878	573,945,790	533,665,286
The effect of changes in foreign exchange rates	6,915,129	6,915,129	14,636,410	14,706,305
Other changes				
Interest expense	4,762,644	4,762,644	6,335,932	6,037,331
Interest paid	(3,582,787)	(3,582,787)	(7,839,732)	(7,963,179)
Balance	**166,082,863**	**166,082,864**	**587,078,400**	**546,445,744**

	Debt securities issued		Interest bearing borrowings	
	Group December 2019	Bank December 2019	Group December 2019	Bank December 2019
Net debt	251,251,383	251,251,383	388,416,734	363,682,441
Proceeds from interest bearing borrowings	-	-	245,332,824	223,834,913
Arising from business combination	74,270,686	74,270,687	92,240,672	92,240,672
Repayment of interest bearing borrowings	-	-	(142,101,478)	(138,295,724)
Debt securities issued	45,000,000	45,000,000	-	-
Repayment of debt securities issued	(216,208,000)	(216,208,000)	-	-
Total changes from financing cash flows	154,314,069	154,314,071	583,888,753	541,462,303
The effect of changes in foreign exchange rates	3,124,784	3,124,784	2,080,813	2,085,384
Other changes				
Interest expense	22,913,352	22,913,352	22,908,552	21,865,024
Interest paid	(22,364,327)	(22,364,327)	(22,275,286)	(21,348,484)
Balance	**157,987,876**	**157,987,879**	**586,602,831**	**544,064,227**

(C) *Non-cash investing activities and financing activities:*
The following activities as listed below are the items that have been identified as non cash investing and financing activities arising from the merger

Acquisition of Right of use assets-(see note 28 (b)
Partial settlement of a business combination through the issuance of shares (see note 44(a)i

41 Business Combination

The Board of Access Bank Plc ("Access") had signed a Memorandum of Agreement (MoA) with former Diamond Bank Plc ("Diamond") regarding the merger of the two banks that is intended to create Nigeria and Africa's largest retail bank by customers. This merger was effective on 19th March 2019

The merger involved Access Bank acquiring the entire issued share capital of Diamond Bank in exchange for a combination of cash and shares in Access Bank via a Scheme of Merger. The cash consideration has been fully paid to all concerned stakeholders. The share consideration has also been fully issued as at the time of this reporting date

Based on the agreement reached by the Boards of the two financial institutions, Diamond Bank shareholders received N3.13 per share, comprising (i) a cash consideration of N1.00 (one Naira) per Diamond Bank Share representing a total cash amount of N23,160,388,968 (twenty-three billion, one hundred and sixty million, three hundred and eighty-eight thousand, nine hundred and sixty-eight Naira), or US$ 75,588,736.84 (seventy five million, five hundred and eighty eight thousand, seven hundred and thirty six dollars and eighty four cents) and (ii) the allotment of 6,617,253,991 (six billion, six hundred and seventeen million two hundred and fifty-three thousand, nine hundred and ninety-one) new Access Bank ordinary shares, representing the 2 new Access Bank ordinary shares for every 7 Diamond Bank shares. The offer represents a premium of 260% to the closing market price of N0.87 per share of Diamond Bank on the Nigerian Stock Exchange as of December 13, 2018, the date of the final binding offer.

The transaction has been completed as all formal regulatory and shareholder approvals have been obtained. The regulatory approvals required for the merger process are; the pre-order approval, the approval in principle and the final approval after convention of shareholders of which all the approvals have been obtained as at the time of this report.

The bank has a strong track record of acquisition and integration and has a clear growth strategy. Access and Diamond have complementary operations and similar values, and the merger with Diamond, with its leadership in digital and mobile-led retail banking, would accelerate the Bank's strategy as a significant corporate and retail bank in Nigeria and a Pan-African financial services champion. The Bank has a strong financial profile with attractive returns and a robust capital position . It is believed that this platform, together with the two banks' shared focus on innovation, financial inclusion and sustainability, can bring benefits to Access and Diamond customers, staff and shareholders.

During the year, the merger between Access Bank Plc and Diamond Bank Plc, as approved by regulators and shareholders of both banks, including court sanction of the merger, was concluded. The merger involved Access Bank acquiring the entire issued share capital of Diamond Bank Plc in exchange for a combination of cash and shares in Access Bank via a Scheme of Merger.

Based on the Scheme of Merger, Diamond Bank shareholders received: The following intangible assets have been considered for the allocation of the goodwill arising from merger with former Diamond Bank Plc:

(i) a cash consideration of N1.00 (one Naira) per Diamond Bank Share representing a total cash amount of N23,160,388,968 (twenty-three billion, one hundred and sixty million, three hundred and eighty-eight thousand, nine hundred and sixty-eight Naira) and,
(ii) the allotment of 6,617,253,991 (six billion, six hundred and seventeen million two hundred and fifty-three thousand, nine hundred and ninety-one) new Access Bank ordinary shares, representing the 2 new Access Bank ordinary shares for every 7 Diamond Bank shares.

The purchase price allocation have not been concluded as at the time of this reporting. All transaction costs relating to the merger has been recognized under merger expense in other operating expenses (see note 15)The following intangible assets have been considered for the allocation of the goodwill arising from merger with former Diamond Bank Plc:

(a) Brand name
(b) Customer relationships
(c) Customer deposits

41(a) Goodwill arising from business combination

In thousands of Naira	Group March 2020	Bank March 2020
Considerations:		
Cash payment	23,160,389	23,160,389
Access Bank's shares to issue to Diamond Bank's shareholders (see (i) below)	39,372,661	39,372,661
Total Consideration	**62,533,050**	**62,533,050**
Net assets acquired from business combination (see note 44 (b) below)		
	(2,900,486)	3,692,995
Fair value adjustment	(8,975,074)	(8,975,074)
Goodwill	**50,657,490**	**57,250,970**

(i) 6,617,253,991 (six billion, six hundred and seventeen million two hundred and fifty-three thousand, nine hundred and ninety-one) new Access Bank ordinary shares, representing the 2 new Access Bank ordinary shares were alloted for every 7 Diamond Bank shares.

The fair value of the shares alloted was derived at Access Bank's market price of N5.95 as at the effective date of the merger i.e 19th March 2019. The total acquisition-related costs are within merger costs within other operating expenses. Issue costs amount to 201.95Mn, and the remaining amount of N6.39Bn relates to all other non-issuance related transaction costs.

The fair value of the net assets acquired include:

(b)

	Group March 2019	Fair value adjustment March 2019	Total Fair value March 2019	Bank March 2019	Fair value adjustment March 2019	Total Fair value March 2019
Assets						
Cash and balances with banks	311,585,028	-	311,585,028	311,581,376	-	311,581,376
Non pledged trading assets	20,811,592	-	20,811,592	20,811,592	-	20,811,592
Derivative financial assets	336,110	-	336,110	336,110	-	336,110
Pledged assets	107,279,524	-	107,279,524	107,204,232	-	107,204,232
Loans to banks	82,959,460	-	82,959,460	107,224,889	-	107,224,889
Loans and advances to customers	510,828,965	-	510,828,965	510,813,249	-	510,813,249
Investment securities	159,486,262	(3,568,189)	155,918,073	159,380,198	(3,568,189)	155,812,009
Investment properties	4,053,511	-	4,053,511	3,878,511	-	3,878,511
Other assets	36,519,653	-	36,519,653	36,417,649	-	36,417,649
Investment in subsidiaries	-	-	-	2,000,000	-	2,000,000
Investment in associates	98,915	-	98,915	98,915	-	98,915
Property and equipment	51,163,231	12,543,263	63,706,494	51,093,358	12,543,265	63,636,623
Intangible assets	2,313,306	-	2,313,306	2,248,547	-	2,248,547
Deferred tax assets	4,984,388	-	4,984,388	4,984,389	-	4,984,389
	1,292,419,946	**8,975,073**	**1,301,395,019**	**1,318,073,014**	**8,975,074**	**1,327,048,090**
Asset classified as held for sale and discontinued operations	48,965,253	-	48,965,253	7,976,260	-	7,976,260
Total assets	**1,341,385,199**	**8,975,073**	**1,350,360,272**	**1,326,049,274**	**8,975,074**	**1,335,024,350**
Liabilities						
Deposits from financial institutions	51,430,800	-	51,430,800	51,430,800	-	51,430,800
Deposits from customers	1,055,147,349	-	1,055,147,349	1,059,028,333	-	1,059,028,333
Derivative Liabilities	18,294	-	18,294	18,294	-	18,294
Current tax liabilities	472,844	-	472,844	327,525	-	327,525
Other liabilities	54,182,450	-	54,182,450	61,401,034	-	61,401,034
Deferred tax liabilities	13,071	-	13,071	-	-	-
Debt securities issued	74,270,686	-	74,270,686	74,270,686	-	74,270,686
Interest-bearing borrowings	92,240,671	-	92,240,671	92,240,671	-	92,240,671
	1,327,776,165	**-**	**1,327,776,165**	**1,338,717,343**	**-**	**1,338,717,343**
Liabilities classified as held for sale and discontinued operations	19,683,622	-	19,683,622	-	-	-
Total liabilities	**1,347,459,787**	**-**	**1,347,459,787**	**1,338,717,343**	**-**	**1,338,717,343**
Net assets	**(6,074,588)**	**8,975,073**	**2,900,486**	**(12,668,069)**	**8,975,074**	**(3,692,993)**

(c) Net inflow of cash and cash equivalent acquired from business combination

	Group March 2020	Bank March 2020
Consideration paid in cash	(23,160,389)	(23,160,389)
Cash and cash equivalents acquired from business combination(see (i) below)	53,422,847	53,419,195
	30,262,458	**30,258,806**

Cash and cash equivalents acquired from business combination

(i)

	Group March 2020	Bank March 2020
Cash and balances with banks	311,585,028	311,581,376
Restricted deposits with central banks	(258,162,181)	(258,162,181)
	-	-
	53,422,847	**53,419,195**

OTHER DISCLOSURES

1.0 ASSESSMENT OF COVID-19 IMPACT

The current uncertainties in the global economy resulting from the covid-19 pandemic has necessitated the need to reappraise some of the existing methodologies used in IFRS 9 estimation. The expected credit loss guidance expects recognition of credit losses at each reporting date that considers reasonable and supportable information about past events, current conditions and forward-looking economic conditions under a range of possible scenarios.

A forecast of macroeconomic indicators under different scenarios using key macro indicators that drive the Nigerian economy such as Government spending, revenue from Oil & Non-oil exports, Exchange rate, GDP, Interest Rate, Inflation, Capital and money market was done. Also, an assessment of the likely impact of the pandemic, government interventions and management responses was carried out.

However, given the uncertainties surrounding the possible effects of the pandemic, how long it will last, and macro outlook, the quantitative impact is still being monitored and reviewed.

The impact on the Group will be published in subsequent financial reports. However, the Group is confident that, based on the robust risk management in place, the going concern of the institution is not threatened and the Group will continue to operate into the foreseeable future.

2.0 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), the Bank maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals defined as insiders regarding their dealings in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira

	Group March 2020	%	Group March 2019	%
Gross earnings	211,123,949		160,122,828	
Interest expense				
Foreign	(15,772,910)		(12,906,082)	
Local	(32,547,036)		(31,913,052)	
	162,804,003		115,303,694	
Net impairment (loss) on financial assets	(8,595,155)		(3,165,139)	
Net impairment loss on other financial assets	1,145,985		(210,000)	
Bought-in-materials and services				
Foreign	(1,479,786)		(1,144,803)	
Local	(67,637,082)		(37,790,298)	
Value added	**86,237,966**		**72,993,454**	
Distribution of Value Added				
To Employees:				
Employees costs	19,632,503	23%	12,786,022	25%
To government				
Government as taxes	5,364,981	6%	3,953,525	6%
To providers of finance				
Interest on borrowings	13,671,590	16%	9,119,374	22%
Dividend to shareholders	-	0%	-	11%
Retained in business:				
For replacement of property and equipment and intangible assets	6,690,333	8%	4,937,979	8%
For replacement of equipment on lease	-	0%	1,049,039	0%
Retained profit (including Statutory and regulatory risk reserves	40,878,559	47%	41,147,513	27%
	86,237,966	**100%**	**72,993,453**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira	Bank March 2020	%	Bank March 2019	%
Gross earnings	181,307,181		136,389,891	
Interest expense				
Foreign	(15,963,272)		(14,988,763)	
Local	(26,661,004)		(26,656,150)	
	138,682,907		94,744,977	
Net impairment (loss) on financial assets	(9,807,846)		(2,930,310)	
Net impairment loss on other financial assets	2,284,160		(210,000)	
Bought-in-materials and services				
Foreign	(1,479,786)		(1,144,803)	
Local	(63,247,834)		(34,248,554)	
Value added	**66,431,600**		**56,211,310**	
Distribution of Value Added				
To Employees:				
Employees costs	15,466,178	23%	8,719,928	25%
To government				
Government as taxes	3,895,100	6%	3,001,904	8%
To providers of finance				
Interest on borrowings	11,697,216	18%	8,902,148	28%
Dividend to shareholders	-	0%	-	11%
Retained in business:				
For replacement of property and equipment	5,671,419	9%	4,347,404	7%
For replacement of equipment on lease	-	0%	503,342	1%
Retained profit (including Statutory and regulatory risk reserves	29,701,686	45%	30,736,583	20%
	66,431,599	**100%**	**56,211,310**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

	March 2020	December 2019	December 2018	*Restated December 2017	*Restated December 2016
Group					
	3 months	**12 months**	**12 months**	**12 months**	**12 months**
In thousands of Naira	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets					
Cash and balances with banks	729,010,487	723,064,003	740,926,362	547,134,325	413,421,081
Investment under management	29,422,819	28,291,959	23,839,394	20,257,131	14,871,247
Non pledged trading assets	162,421,162	129,819,239	38,817,147	46,854,061	44,629,579
Pledged assets	264,214,860	605,555,891	554,052,956	447,114,404	314,947,502
Derivative financial instruments	261,648,408	143,520,553	128,440,342	93,419,293	156,042,984
Loans and advances to banks	232,246,968	152,825,081	142,489,543	68,114,076	45,203,002
Loans and advances to customers	2,916,762,980	2,911,579,708	1,993,606,233	1,995,987,627	1,809,459,172
Investment securities	1,186,320,299	1,084,604,185	501,072,480	278,167,758	229,113,772
Investment properties	927,000	927,000	-	-	-
Other assets	1,202,119,362	1,055,510,452	704,326,780	489,563,282	363,723,078
Property and equipment	205,761,972	211,214,238	103,668,719	97,114,642	84,109,052
Intangible assets	66,402,790	65,932,754	9,752,498	8,295,855	6,939,555
Deferred tax assets	-	8,807,563	922,660	740,402	1,264,813
Assets classified as held for sale	23,527,518	24,957,519	12,241,824	9,479,967	140,727
Total assets	7,280,786,624	7,146,610,142	4,954,156,938	4,102,242,823	3,483,865,564
Liabilities					
Deposits from financial institutions	1,153,011,667	1,186,356,314	994,572,845	450,196,970	167,356,583
Deposits from customers	4,456,633,472	4,255,837,303	2,564,908,384	2,244,879,075	2,089,197,286
Derivative financial instruments	38,798,582	6,885,680	5,206,001	5,332,177	30,444,501
Current tax liabilities	4,406,649	3,531,410	4,057,862	7,489,586	5,938,662
Other liabilities	233,076,486	324,333,873	246,438,951	258,166,549	115,920,249
Deferred tax liabilities	2,750,192	11,272,928	6,456,840	8,764,262	3,699,050
Debt securities issued	166,082,862	157,987,877	251,251,383	302,106,706	316,544,502
Interest-bearing borrowings	587,078,398	586,602,830	388,416,734	311,617,187	299,543,707
Retirement benefit obligations	3,411,334	3,609,037	2,336,183	2,495,274	3,075,453
Total liabilities	6,645,249,641	6,536,417,250	4,463,645,183	3,591,047,788	3,031,719,993
Equity					
Share capital and share premium	251,811,463	251,811,463	212,438,802	212,438,802	212,438,802
Retained earnings	267,394,853	225,118,811	155,592,892	113,449,307	91,265,019
Other components of equity	108,578,851	124,733,788	114,609,701	178,399,413	142,194,725
Non controlling interest	7,751,819	8,528,833	7,870,360	6,907,515	6,247,028
Total equity	635,536,986	610,192,896	490,511,755	511,195,037	452,145,575
Total liabilities and Equity	7,280,786,624	7,146,610,142	4,954,156,938	4,102,242,823	3,483,865,564
Gross earnings	209,794,796	666,753,600	528,744,579	459,075,779	381,320,781
Profit before income tax	46,292,898	115,378,579	103,187,703	78,169,119	87,990,444
Profit from continuing operations	40,928,722	97,509,659	94,981,086	60,087,491	69,090,335
Profit for the period	40,928,722	97,509,659	94,981,086	60,087,491	69,090,335
Non controlling interest	519,636	1,007,734	962,845	13,090	322,322
Profit attributable to equity holders	40,409,087	96,501,925	94,018,240	60,074,401	68,768,013
Dividend paid	-	17,772,613	18,803,180	18,803,180	15,910,384
Earning per share - Basic	121k	289k	330k	218k	249k
- Adjusted	119k	284k	325k	214k	245k
Number of ordinary shares of 50k	35,545,225,623	35,545,225,623	28,927,971,631	28,927,971,631	28,927,971,631

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Bank	March 2020	December 2019	December 2018	*Restated December 2017	*Restated December 2016
	3 months	12 months	12 months	12 months	12 months
In thousands of Naira	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	571,239,698	575,906,273	338,289,912	252,521,543	219,813,090
Investment under management	29,422,819	28,291,959	23,839,394	20,257,131	14,871,247
Non pledged trading assets	106,523,526	76,971,761	36,581,058	43,016,990	44,629,579
Pledged assets	264,214,859	605,555,891	554,052,956	440,503,327	314,947,502
Derivative financial instruments	259,195,139	143,480,073	128,133,789	92,390,219	155,772,662
Loans and advances to banks	217,631,177	164,413,001	100,993,116	101,429,001	104,006,574
Loans and advances to customers	2,480,779,158	2,481,623,671	1,681,761,862	1,771,282,739	1,594,562,345
Investment securities	931,560,518	813,706,953	258,580,286	121,537,302	161,200,642
Other assets	1,156,013,858	1,004,310,286	625,813,176	469,812,502	348,778,639
Investment properties	727,000	727,000	-	-	-
Investment in subsidiary	136,916,459	131,458,709	111,203,496	87,794,631	59,239,252
Property and equipment	184,961,543	188,634,458	88,392,543	83,676,723	71,824,472
Intangible assets	71,462,084	71,003,729	8,231,197	5,981,905	5,173,784
Deferred tax assets	-	-	-	-	-
Assets classified as held for sale	23,527,518	24,957,518	12,241,824	9,479,967	140,727
Total assets	6,434,175,359	6,311,041,283	3,968,114,608	3,499,683,981	3,094,960,515
Liabilities					
Deposits from banks	1,075,855,283	1,079,284,418	616,644,611	276,140,835	95,122,188
Deposits from customers	3,833,253,349	3,668,339,811	2,058,738,930	1,910,773,713	1,813,042,872
Derivative financial instruments	38,500,837	6,827,293	5,185,870	5,306,450	30,275,181
Debt securities issued	166,082,862	157,987,877	251,251,383	302,106,706	243,952,418
Current tax liabilities	5,304,323	1,409,436	2,939,801	4,547,920	5,004,160
Other liabilities	209,926,422	302,261,951	222,046,143	242,948,060	109,887,952
Retirement benefit obligations	3,391,778	3,418,060	2,319,707	2,481,916	3,064,597
Interest-bearing borrowings	546,445,743	544,064,226	363,682,441	282,291,141	372,179,785
Deferred tax liabilities	4,507,110	4,507,110	4,505,966	7,848,515	3,101,753
Total liabilities	5,883,267,707	5,768,100,182	3,527,314,852	3,034,445,256	2,675,630,906
Equity					
Share capital and share premium	251,811,463	251,811,463	212,438,802	212,438,802	212,438,802
Retained earnings	222,168,935	192,378,619	148,238,575	115,966,230	90,980,177
Other components of equity	76,927,253	98,751,022	80,122,380	136,833,692	115,910,630
Total equity	550,907,650	542,941,103	440,799,756	465,238,725	419,329,609
Total liabilities and Equity	6,434,175,359	6,311,041,283	3,968,114,608	3,499,683,981	3,094,960,515
Gross earnings	181,307,181	576,347,839	435,743,037	398,161,576	331,000,972
Profit before income tax	33,685,417	82,666,776	75,248,146	65,140,136	78,230,565
Profit for the period	29,790,317	73,569,054	73,596,295	51,335,460	61,677,124
Dividend paid	-	17,772,613	18,803,180	18,803,180	15,910,384
Earning per share - Basic	87k	217k	254k	177k	221k
- Adjusted	87k	217k	254k	184k	221k
Number of ordinary shares of 50k	28,927,971,631	28,927,971,631	28,927,971,631	28,927,971,631	28,927,971,631