ACCESS BANK PLC

Interim Consolidated & Separate Financial Statements

For The Period Ended 30 June 2021

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ACCESS BANK PLC
Index to the consolidated and separate financial statements
For the period 30 June 2021

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

Dr. (Mrs.) Ajoritsedere Josephine Awosika, MFR, mni	Chairman/Non-Executive Director
Mr. Herbert Onyewumbu Wigwe, FCA	Group Managing Director/Chief Executive Officer
Mr. Roosevelt Michael Ogbonna,FCA,CFA	Group Deputy Managing Director
Mrs. Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Mr. Paul Usoro, SAN	Non-Executive Director
Dr. Okey Vitalis Nwuke,FCA	Non-Executive Director
Mrs. Omosalewa Temidayo Fajobi	Non-Executive Director
Mr. Adeniyi Adedokun Adekoya	Independent Non-Executive Director
Mr. Iboroma Tamunoemi Akpana	Independent Non-Executive Director
Mrs. Ifeyinwa Yvonne Osime	Independent Non-Executive Director
Mr. Hassan Tanimu Musa Usman,FCA	Independent Non-Executive Director
Mr. Victor Okenyenbunor Etuokwu, HCIB	Executive Director
Dr. Gregory Ovie Jobome, HCIB	Executive Director
Ms. Hadiza Ambursa	Executive Director
Mr. Adeolu Bajomo	Executive Director
Mrs. Chizoma Joy Okoli, HCIB	Executive Director
Mr. Oluseyi Kolawole Kumapayi,FCA	Executive Director

Company Secretary
Mr Sunday Ekwochi

Corporate Head Office
Access Bank Plc
Plot 14/15, Prince Alaba Oniru Street, Oniru Estate, Victoria Island, Lagos
Victoria Island, Lagos.
(formerly Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos)

Telephone: +234 (01) 4619264 - 9
+234 (01) 2773300-99

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
Ernst & 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/ICAN/00000000000504

Registrars
Coronation Registrars Limited
9, Amodu Ojikutu Street, Off Saka Tinubu
Victoria Island, Lagos
Telephone: +234 01 2272570

Investor Relations

Access Bank Plc has a dedicated investors' portal on its corporate website which can be accessed via this link https://www.accessbankplc.com/pages/investor-relations.aspx

For further information please contact:

Access Bank Plc.
+234 (1) 236 4365
Investor Relations Team
investor.relations@accessbankplc.com

Directors' Report

For the period ended 30 June, 2021

The Directors have pleasure in presenting their report on the affairs of Access Bank Plc (the "Bank") together with its subsidiaries (the "Group"), the Group and the Bank's Audited Financial Statements with Auditor's Report for the period ended 30 June 2021.

Legal form and principal activities

The Bank was incorporated as a private limited liability company on 8 February 1989 and commenced business on 11 May 1989. The Bank was converted to a public limited liability company on 24 March 1998 and its shares were listed on the Nigerian Stock Exchange on 18 November 1998. The Bank was issued a universal banking license by the Central Bank of Nigeria on 5 February 2001.

The Bank's principal activities include the provision of money market products and services, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations.

The Bank has the following subsidiaries: Access Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank (UK) Limited, Access Bank (Ghana) Plc, Access Bank (Rwanda), Access Pension Fund Custodian Ltd, Access Bank (D.R. Congo), Access Bank (Guinea), Access Bank (Mozambique), Access Bank (South Africa) and Access Bank (Kenya). The Bank also has Diamond Finance B.V, an offshore Special Purpose Vehicle used for the issuance of the U.S.$50,000,000, 7.25 Per Cent participatory Notes which was due in 2021, guaranteed by Access Bank. The notes had matured as at period end and have been fully repaid

The Bank also operates a Representative office in China, Lebanon and India. The Access Bank (UK) Limited operates a branch in United Arab Emirates (UAE).

The financial results of all operating subsidiaries have been consolidated in these financial statements.

Operating results

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Gross earnings	450,620,909	396,757,242	353,739,124	338,581,878
Profit before income tax	97,495,592	74,306,225	59,347,938	49,069,739
Income tax	(10,560,073)	(13,271,427)	(1,206,087)	(6,493,868)
Profit for the period	86,935,519	61,034,798	58,141,851	42,575,871
Other comprehensive (loss)/income	(43,277,708)	17,814,178	(67,411,764)	6,239,934
Total comprehensive income/(loss) for the period	43,657,810	78,848,977	(9,269,914)	48,815,805
Non-controlling interest	3,668,379	(1,490,455)	-	-
Profit/ (loss) attributable to equity holders of the bank	39,989,431	80,339,432	(9,269,916)	48,815,805

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Earnings per share - Basic (k)	248	173	164	120
Earnings per share - Diluted (k)	242	170	164	120

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Total equity	775,433,025	751,041,245	625,665,176	653,895,666
Total impaired loans and advances	178,590,107	161,242,814	88,203,650	115,823,315
Total impaired loans and advances to gross risk assets (%)	4.30%	4.29%	2.60%	3.65%

Interim dividend

The Board of Directors proposed lnterim Dividend of 30 Kobo per ordinary share of 50 Kobo each (HY2020: 25Kobo) each on the 35,545,225,622 issued ordinary shares of 50k each payable to shareholders on the register of shareholding at the closure date. Withholding tax was deducted at the time of payment.

Directors and their interests

The Directors who served during the period, together with their direct and indirect interests in the issued share capital of the Bank as recorded in the Register of Directors' Shareholding and as notified by the Directors for the purposes of Sections 301 and 302 of the Companies and Allied Matters Act and listing requirements of the Nigerian Stock Exchange is noted below:

	Number of Ordinary Shares of 50k each held as at 30 June 2021			
	June 2021		December 2020	
	Direct	Indirect	Direct	Indirect
H. O. Wigwe	201,231,713	1,316,619,016	201,231,713	1,316,619,016
R. C. Ogbonna	44,883,087	-	39,209,328	-
A. O. Ogunmefun	-	2,332,915	12,080	2,075,928
V.O. Etuokwu	21,927,957	-	18,836,941	-
P. Usoro	1,209,634	-	1,209,634	-
A. Awosika	7,109,104	-	-	-
G. Jobome	13,714,027	-	12,862,963	-
I. T Akpana	314,996	-	314,996	-
A. A. Adekoya	-	-	-	-
H. Ambursa	13,761,535	-	12,910,471	-
A. Bajomo	477,957	-	477,957	-
C. J. Okoli	-	1,507,020	-	1,434,419
O. Nwuke	1,739,293	-	1,739,293	-
I. Osime	10,179	-	10,179	-
H. Usman	-	-	-	-
O. Kumapayi	25,030,642	-	24,014,208.00	-
O. Fajobi	-	-	-	-

The indirect holdings relate to the holdings of the under listed companies

		June 2021	December 2020
H.O. Wigwe	United Alliance Company of Nig. Ltd	537,734,219	537,734,218
	Trust and Capital Limited	584,056,979	584,056,979
	Coronation Trustees Tengen Mauritius	194,827,819	194,827,818
A.O. Ogunmefun	L.O.C Nominees, Limited	2,075,928	2,075,928
C. J. Okoli	FM & Y Limited	1,507,020	1,434,419

Directors' interest in contracts

In accordance with the provisions of Section 303 (1) and (3) of the Companies and Allied Matters Act of Nigeria, the Board has received a declaration of interest from the under-listed directors in respect of the companies (vendors to the bank) set against their respective names.

Related director	Interest in entity	Name of company	Services to the Bank
Mrs. Anthonia Ogunmefun	Director and Shareholder	LOC Nominees Ltd	Property Short Term Rental
Mr. Paul Usoro (SAN)	Director and Shareholder	Paul Usoro & Co	Legal Services
Mrs. Ifeyinwa Osime	Director	Coronation Life Assurance Ltd	Insurance
Dr. Okey Nwuke	Director	Coscharis Group	Vehicles Sales and Maintenance
Dr. Okey Nwuke	Director and Shareholder	Claritus Limited	Property Rentals
Mr. Herbert Wigwe	Shareholder	Coronation Insurance Plc	Insurance
Mr. Herbert Wigwe	Shareholder	Coronation Securities Limited	Financial Services
Mr. Herbert Wigwe	Shareholder	Trium Networks Limited	Digital Transformation
Dr. Gregory Jobome	Director	CRC Credit Bureau Ltd	Credit Bureau Reference Service
Mrs. Omosalewa Fajobi	Director	Coronation Securities Limited	Financial Services
Mrs. Omosalewa Fajobi	Director	Coronation Insurance Plc	Insurance
Mr. Ade Bajomo	Director	Nigerian Interbank Settlement Scheme Plc	Interbank Payment Services
Mr. Victor Etuokwu	Director	Unified Payment Services Ltd (UPSL)	Payment services
Mr. Victor Etuokwu	Director	E-Tranzact Plc	Payment services
Mr. Victor Etuokwu	Director	ACT Foundation	Implementing partner for Sustainability Projects
Mr. Roosevelt Ogbonna	Director	Central Securities Clearing System	Securities Depository Services

Analysis of shareholding:

The shareholding pattern of the Bank as at 30 June 2021 was as stated below:

	June 2021			
Range	Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
Domestic Shareholders				
1 - 1,000	483,065	52.52%	92,176,464	0%
1,001 - 5,000	270,489	29.43%	602,006,241	2%
5001 - 10,000	68,431	7.45%	471,220,194	1%
10,001 - 50,000	74,329	8.12%	1,504,053,229	5%
50,001- 100,000	11,216	1.23%	812,201,968	2%
100,001 - 500,000	8,932	0.98%	1,826,153,961	6%
500,001 - 1,000,000	1,135	0.12%	825,000,354	3%
1,000,001 - 5,000,000	1,033	0.11%	2,045,092,026	6%
5,000,001 - 10,000,000	142	0.02%	1,003,963,777	3%
10,000,001 - 50,000,000	168	0.02%	3,913,206,858	12%
50,000,001 - 100,000,000	40	0.00%	2,856,237,329	9%
100,000,001 - 500,000,000	31	0.00%	5,919,214,489	18%
500,000,001 - 1,000,000,000	7	0.00%	4,514,441,662	14%
1,000,000,001 - 10,000,000,000	5	0.00%	6,665,017,085	20%
	919,023	**100.00%**	**33,049,985,637**	**100.0%**
Foreign Shareholders				
1 - 1,000	348	25.31%	109,906	0.00%

1,001 - 5,000	348	25.31%	930,011	0.04%
5001 - 10,000	165	12.00%	1,229,420	0.05%
10,001 - 50,000	372	27.05%	8,543,577	0.34%
50,001- 100,000	67	4.87%	4,783,250	0.19%
100,001 - 500,000	45	3.27%	8,278,543	0.33%
500,001 - 1,000,000	8	0.58%	5,671,896	0.23%
1,000,001 - 5,000,000	7	0.51%	16,933,145	0.68%
5,000,001 - 10,000,000	1	0.07%	7,850,798	0.31%
10,000,001 - 50,000,000	7	0.51%	126,886,371	5.09%
50,000,001 - 100,000,000	2	0.15%	150,361,195	6.03%
100,000,001 - 500,000,000	3	0.22%	418,275,602	16.76%
500,000,001 - 1,000,000,000	1	0.07%	564,553,083	22.63%
1,000,000,001 - 10,000,000,000	1	0.07%	1,180,833,188	47.32%
	1,375	**100.00%**	**2,495,239,985**	**100.00%**
Total	**920,398**	**100.00%**	**35,545,225,622**	**100.00%**

Shareholding Analysis as at 30 June 2021

Type of Shareholding	**Holdings**	**Holding %**
Retail investors	9,210,373,908	25.91%
Domestic institutional investors	23,755,042,210	66.83%
Foreign institutional investors	2,318,856,249	6.52%
Government related entities	176,383,736	0.50%
	35,460,656,103	**100%**

The shareholding pattern of the Bank as at 31 December 2020 is as stated below:

	December 2020			
Range	Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
Domestic Shareholders				
1 - 1,000	483,188	52.46%	92,202,876	0.26%
1,001 - 5,000	270,824	29.41%	602,921,025	1.70%
5001 - 10,000	68,610	7.45%	472,450,366	1.33%
10,001 - 50,000	74,442	8.08%	1,505,716,744	4.24%
50,001- 100,000	11,239	1.22%	814,599,561	2.29%
100,001 - 500,000	8,798	0.96%	1,792,932,868	5.04%
500,001 - 1,000,000	1,140	0.12%	824,192,328	2.32%
1,000,001 - 5,000,000	990	0.11%	1,993,177,862	5.61%
5,000,001 - 10,000,000	140	0.02%	996,430,270	2.80%
10,000,001 - 50,000,000	169	0.02%	3,851,517,805	10.84%
50,000,001 - 100,000,000	34	0.00%	2,395,557,150	6.74%
100,000,001 - 500,000,000	34	0.00%	6,563,248,187	18.46%
500,000,001 - 1,000,000,000	7	0.00%	4,450,933,103	12.52%
1,000,000,001 - 10,000,000,000	5	0.00%	6,722,347,582	18.91%
	919,620	**99.85%**	**33,078,227,727**	**93.06%**
Foreign Shareholders				
1 - 1,000	346	0.04%	109,181	0.00%
1,001 - 5,000	343	0.04%	912,710	0.00%
5001 - 10,000	164	0.02%	1,219,454	0.00%
10,001 - 50,000	368	0.04%	8,582,886	0.02%
50,001- 100,000	63	0.01%	4,531,943	0.01%
100,001 - 500,000	43	0.00%	7,931,535	0.02%
500,001 - 1,000,000	8	0.00%	5,539,217	0.02%
1,000,001 - 5,000,000	8	0.00%	18,793,554	0.05%
5,000,001 - 10,000,000	1	0.00%	7,850,798	0.02%
10,000,001 - 50,000,000	7	0.00%	126,886,371	0.36%
50,000,001 - 100,000,000	3	0.00%	242,573,141	0.68%
100,000,001 - 500,000,000	2	0.00%	296,680,834	0.83%
500,000,001 - 1,000,000,000	1	0.00%	564,553,083	1.59%
1,000,000,001 - 10,000,000,000	1	0.00%	1,180,833,188	3.32%
	1,358	**0.15%**	**2,466,997,895**	**6.94%**
Total	**920,978**	**100%**	**35,545,225,622**	**100%**

Shareholding Analysis as at 31 December 2020

Type of Shareholding	Holdings	Holding %
Retail investors	9,439,462,713	26.56%
Domestic institutional investors	23,556,628,495	66.27%
Foreign institutional investors	2,466,997,895	6.94%
Government related entities	82,136,519	0.23%
	35,545,225,622	**100%**

Substantial interest in shares

According to the register of members at 30 June 2021, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

	June 2021		December 2020	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Stanbic Nominees Nigeria Limited*	4,091,310,660	11.51%	4,259,423,232	11.98%

*Stanbic Nominees held the shares as custodian for various investors. Stanbic Nominees does not exercise any right over the underlying shares. All the rights resides with the various investors on behalf of whom Stanbic Nominees carries out the custodian services.

Donations and charitable gifts

The Bank identifies with the aspirations of the community and the environment in which it operates. The Bank made contributions to charitable and non-charitable organisations amounting to N1,550,362,230 (December 2020: N2,603,664,782.18) during the period, as listed below:

S/N	Beneficiaries	Purpose	Amount
1	Lagos State Employment Trust Fund (LSETF)	Contribution towards the implementation of the Build our Lagos Bank tagged Lagos State	500,000,000
2	The Bankers' Committee	Contribution towards the renovation of Police Stations	282,060,321
3	Maraban School	Donation towards the completion of the 3rd phase of the Maraban School building project	110,000,000
4	Sokoto State Government	Donation towards Sokoto Market Fire Outbreak	100,000,000
5	Contribution to states	Contribution of Food Items to 4 states as a result of COVID 19	113,718,000
6	Fifth Chukker	Sponsorship of the 2021 Fifth Chukker UNICEF Polo Tournament	85,000,000
7	Various Beneficiaries of the community Grant	Contribution towards the implementation of the All4One Community Projects	75,663,500
8	The Nigerian Tulip International Colleges	Sponsorship of the NTIC 17th Annual Mathematics Competition	60,000,000
9	Ignatius Ajuru University of Education	Support the building of a postgraduate lecture block	50,000,000
10	CSR -Ikoyi Passport Office	Contribution towards the expansion of Immigration Office at Ikoyi	19,034,345
11	Chartered Institute of Bankers of Nigeria (CIBN)	Support the renovation of the CIBN Abuja Banker's House	10,000,000
12	National Association of Women Judges Nigeria	Sponsorship of the National Association of Women Judges Nigeria 2021 Conference	7,000,000
13	The DEW Centre	Contribution towards the BARE Exhibition Project	5,000,000
14	Hacey Health Initiative	Supporting the HACEY Wellbeing and Productivity program across Nigeria	4,980,000
15	GBC Health	Supporting GBC Health in the commemoration of the 2021 World Malaria Day	4,800,000
16	Hacey Health Initiative	Support towards the International Day of Zero Tolerance for Female Genital	4,500,000
17	Hacey Health Initiative	Support Hacey Healty to Commemorate the 2021 World Cancer Day	4,500,000

18	Hacey Health Initiative	Support Hacey Healty to Commemorate the 2021 International Women's Day	4,500,000
19	DiBadili Institute Leadership	Support the Leadership and Impact Project for Women and Young People	4,500,000
20	Financial Centre for Sustainability (FC4S) and Nigeria Climate Innovation Centre (NCIC)	Support for the FC4S and NCIC Fintech SDGs Hackathon	4,500,000
21	Nirvana Initiative	Support the Know your Genotype project to commemorate the World Sickle Cell Day	4,500,000
22	Federal Medical Centre Ebute-Metta	Support the Federal Medical Centre Ebute-Metta in the purchase of medical equipments	4,000,000
23	Xploit Consulting Limited	Support XCL towards the installation of Handwash Stations across 20 Schools	4,000,000
24	Glow Initiative for Economic Empowerment	Support the Act 4 The Earth Campaign in commemoration of the Earth Day 2021	4,000,000
25	Xploit Consulting Limited	Supporting the Agribusiness Livelihoods Improvement Program	4,000,000
26	Hacey Health Initiative	Support HaceyHealth to commemorate the International Day for the Elimination of Sexual Violence	4,000,000
27	Hacey Health Initiative	Support HaceyHealth to commemorate the 2021 International Day against Drug Abuse and Illicit	4,000,000
28	Hacey Health Initiative	Support HaceyHealth to commemorate the 2021 International Day to End Obstetrics Fistula	4,000,000
29	Xploit Consulting Limited	Support XCL's program in commemoration of the World Day against Child Labour	4,000,000
30	Glow Initiative for Economic Empowerment	Support Save Biodiversity Initiative (SABI) in commemoration of the World Biodiversity Day	3,800,000
31	Centre for Youth Studies (CYS)	Support Capacity Building Program on Assistive Technologies for Special Needs Students	3,591,225
32	Xploit Consulting Limited	Support XCL on the Access Digital Skills Program for Youth Empowerment	3,500,000
33	Xploit Consulting Limited	Support XCL towards implementing the Vocational Skills Acquisition Initiative (VSAI)	3,500,000
34	Nirvana Initiative	Support Nirvana Initiative Program to commemorate the 2021 World Tuberculosis Day	3,500,000
35	Xploit Consulting Limited	Support XCL Cyberbullying Stakeholder Awareness Program	3,500,000
36	International Film and Broadcast Academy (IFBA)	Support the Capacity Building Program on Film/Television Production and Photography for Youths from Undeserved Communities	3,500,000
37	Glow Initiative for Economic Empowerment	Support Climate Change Awareness Program (CCAP) in commemoration of the World Environment	3,500,000
38	Glow Initiative for Economic Empowerment	Support Glow Initiative in the Solar Skill Empowerment Program	6,500,000
39	Xploit Consulting Limited	Support XCL on the Widows' Vocational Skills Program in commemoration of the International	3,500,000
40	Dreamland Foundation	Support Dreamland Foundation in accelerating the growth, and rehabilitation of inmates and ex-	3,000,000
41	9ijaKids	Support the distribution of 1,999 Finanical literacy activity books and the implementation of other	3,000,000
42	Glow Initiative for Economic Empowerment	Support Glow Initiative in the Solar for School Community Project in commemoration of the	5,000,000
43	Christian Pharmacists Fellowship of Nigeria	Support CPFN medical mission	2,895,000
44	9ijaKids	Support for Science Technology Engineering Art and Mathematics (STEAM) fun festival	2,500,000
45	Glow Initiative for Economic Empowerment	Support Act4Wildlife Campaign in commemoration of the World Wildlife Day 2021	2,000,000
46	Centre for Youth Studies (CYS)	Support the Life Skills Training Program for Special Needs Students	2,000,000
47	Cycology Riding Club	Support the Cycology Riding Club	1,000,000
48	Succour Charity	Supporting the Succour Charity Initiative in their various Women and Youth empowerment projects	1,000,000
49	The International Federation of the Compliance	Sponsorship of the IFCA Congress 2021	819,840
50	Association of Chief Audit Executives of Banks in	Sponsorship of the 2021 AGM/Retreat of ACAEBIN	500,000
51	Institute of Chartered Accountants of Nigeria	Sponsorship of the 50th Annual Accountants' Conference	500,000
52	New Towns Development Authority (NTDA)	Support NTDA on their 40th anniversary	500,000
53	Project HOPE Nigeria	Support the Orphans and Vulnerable Children (OVC) project	500,000
54	The Nigerian Institute of Public Relations	Support the 2021 NIPR Lagos Public Relations Week	500,000
			1,550,362,231

Property and equipment

Information relating to changes in property and equipment is given in Note 28 to the financial statements. In the Directors' opinion, the fair value of the Group's property and equipment is not less than the carrying value in the financial statements.

Human resources

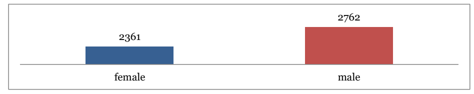
(i) Report on diversity in employment

The Bank operates a non-discriminatory policy in the consideration of applications for employment. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding of our customers' needs and creatively addressing them.

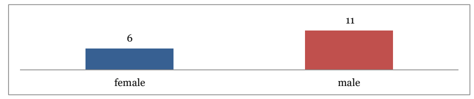
(a) Composition of employees by gender

Total number of female employees	2,361
Total number of male employees	2,762



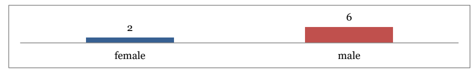
(b) Board Composition By Gender

Total number of female on the Board	6
Total number of men on the Board	11



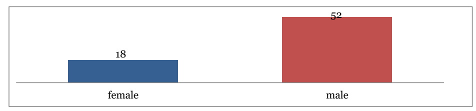
(c) Top Management (Executive Director To CEO) Composition By Gender

Total number of female in Executive Management position	2
Total number of persons in Executive Management	6



(d) Top Management (AGM To GM) Composition By Gender

Total number of female in Top Management position	18
Total number of men in Top Management position	52



(ii) Employment of disabled persons

In the event of any employee becoming disabled in the course of employment, the Bank will endeavour to arrange appropriate training to ensure the continuous employment of such a person without subjecting the employee to any disadvantage in career development.

(iii) Health, safety and welfare of employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank retains top-class hospitals where medical facilities are provided for its employees and their immediate families at Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates a Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014 as Amended and other benefit schemes for its employees.

(iv) Employee involvement and training

The Bank encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. Towards this end, the Bank provides opportunities where employees deliberate on issues affecting the Bank and its employees' interests, with a view to making inputs to decisions thereon. The Bank places a high premium on the development of its manpower. Consequently, the Bank sponsors its employees for various training courses, both locally and overseas.

(v) Statement of commitment to maintain positive work environment

The Bank shall strive to maintain a positive work environment that is consistent with best practice to ensure that business is conducted in a positive and professional manner and to ensure that equal opportunity is given to all qualified members of the Group's operating environment.

Credit Ratings

The revised prudential guidelines, as released by the CBN, requires that banks should have themselves credit rated by a credit rating agency on a regular basis. It is also required that the credit rating be updated on a continuous basis from year to year.

Below are the credit ratings that Access Bank has been assigned by the various credit rating agencies that have rated the Bank, in no particular order:

Long Term Local Credit Ratings

	Long Term	**Date**
Standard & Poor's	BBB	Oct-20
Fitch Ratings	A+	Jul-21
Agusto & Co	AA-	Jul-21
Moody's	A1	Jul-21

Long Term Counterparty Credit Ratings

	Long Term	
Standard & Poor's	B-	Oct-20
Fitch Ratings	B	Jul-21
Moody's	B2	Jul-21

More information on the rating reports can be obtained at https://www.accessbankplc.com/credit-rating

Audit committee

Pursuant to Section 404(3) of the Companies and Allied Matters Act of Nigeria, the Bank has an Audit Committee comprising three directors and three shareholders as follows:

1	Mr. Henry Omatsola Aragho	-	Shareholder	Chairman
2	Mr. Olutoyin Eleoramo	-	Shareholder	Member
3	Mr. Idaere Gogo-Ogan	-	Shareholder	Member
4	Mr. Adeniyi Adekoya	-	Director	Member
5	Mr. Iboroma Akpana	-	Director	Member
6	Dr. Okey Nwuke	-	Director	Member

The functions of the Audit Committee are as provided in Section 404(7) of the Companies and Allied Matters Act of Nigeria.

The auditors, PricewaterhouseCoopers have indicated their interest to continue in office and will do so pursuant to section 401(2) of the Companies and Allied Matters Act

BY ORDER OF THE BOARD

No 14/15, Prince Alaba Oniru Road
Oniru, Lagos.

Sunday Ekwochi
Company Secretary
FRC/2013/NBA/00000005528

Free Float Computation

Description	June 30, 2021		December 31, 2020	
	Units	**Percentage (In relation to Issued Share Capital)**	**Units**	**Percentage (In relation to Issued Share Capital)**
Issued Share Capital	35,545,225,622	100.00%	35,545,225,622	100.00%
Details of Substantial Shareholdings (5% and above)				
Name(s) of Shareholders				
Stanbic Nominees Limited	*4,091,310,660*	*11.51%*	*4,259,423,232*	*11.98%*
Total Substantial Shareholdings	*4,091,310,660*	*11.51%*	**4,259,423,232**	**11.98%**
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
[Name(s) of Directors]				
A. Awosika	7,109,104	0.02%	-	0.00%
H. O. Wigwe	1,517,850,729	4.27%	1,517,850,729	4.27%
R. C. Ogbonna	44,883,087	0.13%	39,209,328	0.11%
A. O. Ogunmefun	2,332,915	0.01%	2,088,008	0.01%
V.O. Etuokwu	21,927,957	0.06%	18,836,941	0.05%
P. Usoro	1,209,634	0.00%	1,209,634	0.00%
G. Jobome	13,714,027	0.04%	12,862,963	0.04%
I. T Akpana	314,996	0.00%	314,996	0.00%
H. Ambursa	13,761,535	0.04%	12,910,471	0.04%
A. Bajomo	477,957	0.00%	477,957	0.00%
C. Okoli	1,507,020	0.00%	1,434,419	0.00%
O. Nwuke	1,739,293	0.00%	1,739,293	0.00%
I. Osime	10,179	0.00%	10,179	0.00%
O. Kumapayi	25,030,642	0.07%	24,014,208	0.07%
Total Directors' Shareholdings	**1,656,609,705**	**4.66%**	**1,642,054,594**	**4.62%**
Details of Other Influential Shareholdings, if any (E.g Government, Promoters)				
[Name(s) of Entities/Government]				
Restricted Share Performance Plan (RSPP)	705,090,327	1.98%	614,553,629	1.73%
Ministry of Finance Incorporated	96,389,680	0.27%	64,936,892	0.18%
Bauchi Local Government Council	2,204,991	0.01%	2,204,991	0.01%
Abia State Government Council	2,143,241	0.01%	2,143,241	0.01%
Toro Local Government Council	1,976,888	0.01%	1,976,888	0.01%
Total of Other Influential Shareholdings	**807,805,127**	**2.27%**	**685,815,641**	**1.93%**
Free Float in Unit and Percentage [Issued Share Capital (%) - (Total Substantial Shareholdings (%) + Total Directors' Shareholdings (%) + Total of Other Influential Shareholdings (%))]	28,821,387,559	81.08%	28,957,932,156	81.47%
Share Price	8.45		8.45	0.00
Free Float in Value				
[Free Float Unit x Share Price]		**243,540,724,869.33**		**244,694,526,713.98**

CUSTOMER COMPLAINTS AND FEEDBACK

Access Bank is fully committed to its core value of 'passion for customers. The Bank prides itself on providing exceptional services to customers at all times. At the same time, given the number and complexity of financial transactions that take place every day, the Bank recognizes that there will inevitably be occasions when mistakes and misunderstandings occur. In these situations, Access bank encourages customers to bring their concerns to the attention of the bank for prompt resolution. In addition, deliberate efforts are made to solicit customers' feedback on its products and services.

Complaints Channels

In order to facilitate seamless complaint and feedback process, the bank has provided various channels for customers. These include:

- 24 hour contact centre with feedback through emails, telephone, SMS, Livechat, Social Media etc.
- Feedback portal on the Bank's website
- Customer service desks in over 300 branches and toll-free telephone lines to the office of the Group Managing Director in the banking halls of key branches.
- Correspondence from customers
- The Voice of Customer Solution
- The Ombudsman desk

Complaints Handling

We handle customer complaints with sensitivity and in due regard for the needs and understanding of each complainant. Efforts are made to resolve customer's complaints at first level. Where this cannot be done, they are immediately referred to the appropriate persons for resolution. All complaints are logged and tracked for resolution and feedback is provided to the customer.

Resolve or Refer command Centre

The 'Resolve or Refer' command centre serves to encourage timely service delivery and First Time Resolution (FTR) of customer issues. The 'Resolve or Refer Command Centre' which is being run by a senior management staff has the mandate to ensure that most customer issues are resolved same day. The command centre provides support to all our departments and branches on issue resolution.

Complaints Tracking and Reporting

We diligently track complaint information for continuous improvement of our processes and services. An independent review of the root cause of complaints made is carried out and lessons learnt are fed back to the relevant business units to avoid future repetition. Customer complaint metrics are analysed and reports presented to Executive Management and the Operational Risk Management committee. Reports on customer complaints are also sent to the Central bank as required.

ACCESS BANK PLC CUSTOMER'S COMPLAINTS FOR THE PERIOD ENDED 30 JUNE 2021

	NAIRA						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (NAIRA)**		**AMOUNT REFUNDED (NAIRA)**	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
1	Pending complaints B/F	220,904	90,918	60,391,165,527	4,113,395,469	-	-
2	Received Complaints	681,505	1,738,036	17,862,484,407	56,692,746,754	-	-
3	Resolved complaints	605,224	1,608,050	226,637,642	414,976,696	764,535,043	3,250,205,616
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	297,185	220,904	78,027,012,292	60,391,165,527	-	-

	USD						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (USD)**		**AMOUNT REFUNDED (USD)**	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
1	Pending complaints B/F	388	43	126,863,490	82,513,727	-	-
2	Received Complaints	5892	6,385	73,657,066	44,938,365	-	-
3	Resolved complaints	5738	6,040	75,148	588,602	45,914	433,733
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	542	388	200,445,407	126,863,490	-	-

	GBP						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (GBP)**		**AMOUNT REFUNDED (GBP)**	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
1	Pending complaints B/F	28	5	563,757	118,104		-
2	Received Complaints	174	230	160,838	445,653	-	-
3	Resolved complaints	171	207	-	-	-	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	31	28	724,596	563,757	-	-

	EUR						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (EUR)**		**AMOUNT REFUNDED (EUR)**	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
1	Pending complaints B/F	16	4	779,847	8,837	-	-
2	Received Complaints	213	336	1,029,442	771,010	-	-
3	Resolved complaints	210	324	-	-	-	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	19	16	1,809,289	779,847	-	-

Solicited Customer Feedback

Deliberate efforts are made to solicit feedback from customers and staff on the services and products of the bank through the following:
- Questionnaires
- Customer interviews
- Customers forum
- Quest for Excellence Sessions (for staff)
- Voice of Customer Surveys

The various feedback efforts are coordinated by our Service and innovation Group
The feedback obtained from customers are reviewed and lessons learnt are used for staff training and service improvement across the bank.

REPORTS TO THE CBN ON FRAUD AND FORGERIES

This report represents the fraud and forgery incidents that occured during the period. It is a summation of attempted and successful fraud incidents. The actual loss that was incurred by the Bank for the period is N126.71 million (June 2020: N82.768 million). The rest of the loss amount represents the losses incurred by other third parties

June 2021

		Successful				**Unsuccessful**			
S/N	**Category**	**Frequency**	**Amount involved ₦'000**	**Actual Loss ₦'000**	**% Loss**	**Frequency**	**Amount involved ₦'000**	**Actual loss ₦'000**	**% Loss**

1	Electronic Fraud/USSD	9,283	681,567	668,204	79.78	33,045	497,179	0.00	0.00
2	Cash Theft/ Suppression	16	13,252	11,061	1.32	1	-	0.00	0.00
3	Fraudulent Transfer/Withdrawals	7	202,191	130,362	15.56	-	-	0.00	0.00
4	Fraudulent Loan	-	-	-	0.00	-	-	0.00	0.00
5	Armed Robbery	3	20,579	20,579	2.46	-	-	0.00	0.00
6	Cyber Attack	-	-	-	0.00	-	-	0.00	0.00
7	Clearing	-	-	-	0.00	-	-	0.00	0.00
8	Presentation of Forged Instrument	-	-	-	0.00	-	-	0.00	0.00
9	Fraudulent manipulation of "Form M"	-	-	-	0.00	-	6,647,395	0.00	0.00
10	Fraudulent diversion of funds	1	31,330	7,403	0.88	-	-	0.00	0.00
11	Electronic Fraud/Cybersecurity	-	-	-	0.00	2,613	4,969,001	0.00	0.00
12	Electronic Fraud/wallet	-	-	-	0.00	219	-	0.00	0.00
	TOTAL	**9,310**	**948,918**	**837,608**	**100**	**35,878**	**12,113,575**	**-**	**-**

June 2020

		Successful				Unsuccessful			
S/N	**Category**	**Frequency**	**Amount involved ₦'000**	**Actual Loss ₦'000**	**% Loss**	**Frequency**	**Amount involved ₦'000**	**Actual Loss ₦'000**	**% Loss**
1	Electronic Fraud/USSD	4,396	376,764	284,093	63.66	670	78,453,115	0.00	0.00
2	Cash Theft/ Suppression	26	45,819	42,687	9.57	-	-	0.00	0.00
3	Fraudulent Transfer/Withdrawals	14	190,878	119,468	26.77	2	35	0.00	0.00
4	Fraudulent Loan	-	-	-	0.00	-	-	0.00	0.00
5	Armed Robbery	-	-	-	0.00	1	-	0.00	0.00
6	Cyber Attack	-	-	-	0.00	-	-	0.00	0.00
7	Clearing	-	-	-	0.00	-	-	0.00	0.00
8	Presentation of Forged Instrument	-	-	-	0.00	-	-	0.00	0.00
9	Fraudulent manipulation of "Form M"	-	-	-	0.00	-	-	0.00	0.00
10	Fraudulent diversion of funds	-	-	-	0.00	-	-	0.00	0.00
11	Electronic Fraud/Cybersecurity	-	-	-	0.00	-	-	0.00	0.00
12	Electronic Fraud/wallet	-	-	-	0.00	-	-	0.00	0.00
	TOTAL	**4,436**	**613,460**	**446,248**	**100**	**673**	**78,453,150**	**-**	**-**

CORPORATE GOVERNANCE REPORT FOR HALF YEAR ENDED JUNE 30, 2021

The Board of Access Bank Plc ('the Bank') is pleased to present the Corporate Governance Report for the Half Year ended June 30, 2021. The report provides insight into the operations of our governance framework and Board's key activities during the reporting period.

The Board recognises that effective governance is crucial for the attainment of the Group's aspirations. It implements corporate governance best practices across the Group to foster the sustainable prosperity of the Bank and its subsidiaries. It operates on the understanding that sound governance practices are essential for earning the trust of stakeholders, which is critical to sustainable growth. The Board is focused on protecting stakeholders' interests and enhancing shareholders' value. The Group's corporate governance framework is designed to align management's actions with the interest of shareholders while ensuring an appropriate balance with the interests of other stakeholders.

Our corporate governance systems ensure on-going compliance with the Bank's governance charter and relevant codes of corporate governance as well as the post listing requirements of the stock exchanges where our securities are listed. Our governance model is founded on key pillars of diversity, accountability, responsibility, transparency, independence, fairness and discipline. The Bank's governance policies and structure are regularly reviewed to reflect changes in the operating environment, regulation and best practices.

The Group is governed under a framework that enables the Board to discharge its oversight functions, provide strategic direction to the Bank, take decisions and ensure regulatory compliance. The subsidiaries comply with the statutory and regulatory requirements of their host countries and align their governance framework with that of the Bank to the extent permissible by their local regulations.

The Board

The Board is led by the Group Chairman and sets the Group's strategy and risk appetite. It also approves capital and operating plans for the attainment of the Group's strategic objectives on the recommendation of Management.

There was no change to the Board composition in H1, 2021.

Composition and Role

As at June 30, 2021, the Board was made up of 17 members comprising 9 Non-Executive and 8 Executive Directors. 6 of the Board members are female.

Board Members Profile

Dr. (Mrs.) Ajoritsedere Awosika, MFR, mni
Chairman/ Non-Executive Director

Dr. Awosika is an accomplished administrator with over three decades' experience in public sector governance. She was at various times, the Permanent Secretary in the Federal Ministries of Internal Affairs, Science & Technology and Power. She is a Fellow of the Pharmaceutical Society of Nigeria and the West African Postgraduate College of Pharmacy.

Dr. Awosika holds a doctorate degree in pharmaceutical technology from the University of Bradford, United Kingdom. She was appointed to the Board of Access Bank in April 2013 and served as the Vice-Chairman of the Board Audit Committee and Chairman of the Board Credit Committee prior to her appointment as the Chairman of the Board.

Dr. Awosika sits on the boards of Capital Express Assurance Ltd, Josephine Consulting Limited, University of Warri, African Initiative for Governance and Nigerian Prize for Leadership.

She became the Chairman of the Board on January 8, 2020 following the retirement of Mrs. Mosun Belo-Olusoga.

She is 68 years old as at the end of the reporting period.

Mrs. Anthonia Ogunmefun
Non-Executive Director

Mrs Ogunmefun is the Managing Partner of Kemi Ogunmefun Law Office, a Canadian-based private legal practice specialising in immigration law, family law, real estate and corporate law. She served as the Chairperson of Governance Committee of Kinark Child and Family Services, a major Canadian childcare trust, and is a Non-Executive Director of LOC Nominees Limited.

Mrs. Ogunmefun obtained her Bachelor of Laws degree from the University of Lagos in 1974. She was called to the Nigerian Bar in 1975 and the Law Society of Upper Canada in 2004. She was appointed to the Board in April 2011 and is the Chairman of the Board Risk Management Committee and Vice Chairman of the Human Resources and Sustainability Committee.

She is 69 years old as at the end of the reporting period.

Mr. Paul Usoro, SAN
Non-Executive Director

Mr. Usoro is a Senior Advocate of Nigeria, a Fellow of the Chartered Institute of Arbitrators and the founder and Senior Partner of the Law firm of Paul Usoro & Co. He has over 30 years of law practice experience and is acknowledged as a highly experienced litigator and communication law expert.

He was elected President of the Nigerian Bar Association in August 2018 for a two-year term and is currently a Non-Executive Director of PZ Cussons Nigeria Plc. He is also a member of the National Judicial Council and Body of Benchers. He represented Access Bank as a Non-Executive Director on the board of the defunct Intercontinental Bank Plc.

Mr. Usoro holds a Bachelor of Laws degree from the University of Ife (1981) and was called to the Nigerian Bar in 1982. He joined the Board in January 2014 and currently chairs the Board Human Resources and Sustainability Committee and Board Technical Committee on Retail Expansion. He is also the Vice-Chairman of the Board Risk Management Committee.

He is 62 years old as at the end of the reporting period.

Mr. Adeniyi Adekoya
Independent Non- Executive Director

Mr. Adekoya is a highly experienced maritime and oil and gas industry expert with significant experience in investment banking. He worked as a General Manager in Peacegate Holdings Ltd where he was responsible for setting up and developing the company’s marine operations. He was also a consultant to Maine Nigeria Ltd where he developed the framework for a private placement to raise USD 500 million start-up capital and led the company’s participation in bid rounds for oil blocks in the Republic of Equatorial Guinea.

Mr. Adekoya worked with Mobil Oil Producing Nigeria Unlimited as a Budget Officer, Exploration Department and obtained financial service industry experience from AIM Fund and Trimark Investment Service, both in Ontario, Canada. Mr. Adekoya holds a Bachelor's Degree in Business Administration from the University of Lagos.

He joined the Board in March 2017 and currently chairs the Board Audit Committee and Board Digital and Information Technology Committee. He is also the Vice-Chairman of the Board Governance, Nomination and Remuneration Committee. He sits on the boards of Synerpet Ltd, Weston Integrated Services Ltd and Prime Atlantic Limited.

He is 54 years old as at the end of the reporting period.

Mr. Iboroma Akpana
Independent Non- Executive Director

Mr. Akpana is the Managing Partner of Solola & Akpana, one of the leading commercial and oil and gas law firms in Nigeria. He is a consummate corporate and commercial lawyer with a career spanning over two decades. Mr. Akpana has a proven track record of academic excellence. He graduated as a top student in Law from the University of Jos and obtained a master's degree from Harvard Law School. He is a Notary of the Federal Republic of Nigeria.

Based on his work, he was recognised in the Chambers Global 2006, 2007, 2008 and 2009 editions as a 'Leading Individual' in Nigeria in its Corporate and Commercial section. Similarly, the International Financial Law Review 1000 ranked him as a 'Leading Lawyer' in Nigeria in its 2006, 2007, 2008 and 2009 editions while the Legal 500 Europe, Middle East and Africa profiled him as a 'Recommended Individual'.

Mr. Akpana is a member of the International Bar Association, American Bar Association, New York State Bar Association, Nigerian Bar Association and the Law Society of England and Wales. He joined the Board in March 2017 and currently chairs the Board Governance, Nomination and Remuneration Committee. He is also the Vice-Chairman of the Board Audit Committee and Board Credit Committee. He sits on the Boards of AMNI International Petroleum Development Company Limited and Contracting Plus Limited.

He is 56 years old as at the end of the reporting period.

Mrs. Ifeyinwa Osime
Independent Non-Executive Director

Mrs. Osime is a versatile and result oriented professional with over 30 years' experience in the insurance industry and commercial legal practice at management and board levels. She has deep knowledge and experience in the management of administrative, legal, and company secretarial functions in financial and other related institutions.

She had championed and established a special needs programme which is actively involved in the management and care of children and young people with special needs. She is currently engaged in legal practice with Macpherson Legal Practitioners, a Lagos-based law firm. Mrs. Osime is an Independent Non-Executive Director of Coronation Insurance Plc and a Non-Executive Director of Smartbase Services, Ebudo Trust Limited and AIP Global Limited.

Mrs. Osime was the former Chairperson of PHB Healthcare Limited as well as a former Director of Bank PHB Plc (now Keystone Bank Limited) and Insurance PHB Limited (now KBL Insurance). She was the Company Secretary/Legal Adviser of African Development Insurance Company Limited (now NSIA Insurance) between 1989 and 1997.

She holds a master's degree in Law from University of London (1989) with specialisation in Corporate and Commercial Law and an LLB Degree from the University of Benin (1986).

She joined the Board in November 2019 and is the Vice-Chairman of the Board Digital and Information Technology Committee.

She is 54 years old as at the end of the reporting period.

Dr. Okey Nwuke, FCA
Non-Executive Director

Dr. Nwuke has over 28 years' experience in finance and corporate governance working with top corporates and leading commercial banks in Nigeria. He is a Fellow of both the Institute of Chartered Accountants of Nigeria and Chartered Institute of Taxation of Nigeria, an honorary member of Chartered Institute of Bankers of Nigeria and a member of Business Recovery and Insolvency Practitioners.

He has garnered considerable expertise in credit analysis and bank financial management through professional training as a Chartered Accountant, from relevant training programmes as well as on the job training. He was an Executive Director in Access Bank from 2004 to 2013 and served as the Chairman of the Board of Directors of the Bank's subsidiaries in Rwanda and Burundi. Dr. Nwuke was a pioneer Non-Executive Director of Stanbic IBTC Pension Managers Limited representing Access Bank.

Dr. Nwuke's key competencies include finance, strategy development and execution, organizational restructuring and transformation, leadership and change management. He joined the Board of Coscharis Group in August 2014 and is currently responsible for the strategic drive to position it for sustainability. He currently chairs the Shareholders' Audit Committee of NASCON Plc and sits on the Boards of Access Pension Fund Custodian Limited, First Ally Asset Management Limited, Claritus Limited, Simply Gifts and Interiors Limited and Personal Trust Micro Finance Bank Limited.

He holds a B.Sc. Degree in Accountancy from University of Nigeria, Nsukka and an MBA (Distinction) in International Banking and Finance from the Birmingham Business School, United Kingdom. Dr. Nwuke holds a Doctorate Degree in Business Administration (DBA) from Walden University, Minnesota, USA with a research focus on leadership transition challenges in family businesses. He has been exposed to several leadership and professional development programmes at renowned institutions including Harvard Business School, Boston (AMP 175), Wharton Business School, Pennsylvania (both in U.S.A), INSEAD and IMD.

He joined the Board in November 2019 and currently chairs the Board Credit Committee. He is also the Vice-Chairman of the Board Technical Committee on Retail Expansion.

He is 54 years old as at the end of the reporting period.

Mr. Hassan M.T Usman, FCA
Independent Non-Executive Director

Mr. Usman is the Founder/Chief Executive Officer of New Frontier Development Limited, an investment company focused on financial advisory, hospitality, real estate and proprietary investments in start-ups and challenged companies in the SME space. He is also the Founder/Chairman of the Board of Trustees of the Al-Qalam (Pen) Foundation, a Not-for-Profit Organisation that provides educational opportunities to disadvantaged children.

Prior to this, he was the Managing Director/Chief Executive Officer of Aso Savings and Loans Plc and an Executive Director at Abuja Investment and Property Development Company Limited. He was at various times the Deputy Director and Head of Petrochemicals and Gas Unit; Transport Sector Reform Team as well as the Deputy Director Telecoms Reform Team Lead and Head NITEL Privatisation at the Bureau of Public Enterprises. He also worked with Central Bank of Nigeria, Arthur Andersen and CitiBank Nigeria. Mr. Usman sits on the Boards of Abuja Leasing Company Limited, Kairos Capital Limited and Sentinel Energy and Gas Limited.

Mr. Usman holds a Bachelor of Arts Degree in Economics from University of Sussex and a Master of Philosophy in Development Economics from University of Cambridge. He is a Fellow of the Institute of Chartered Accountants of England and Wales. Mr. Usman is also an Eisenhower Fellow and Archbishop Desmond Tutu Fellow of the African Leadership Institute.

Over the years, he has served as a member of the Board of Directors of the Nigeria Sovereign Investment Authority, Nigeria Mortgage Refinance Company and Council of the Nigeria Stock Exchange.

Mr. Usman joined the Board in August 2020.
He is 53 years old as at the end of the reporting period.

Mrs. Omosalewa Fajobi
Non-Executive Director

Mrs. Fajobi is an experienced legal counsel and governance professional with a demonstrated history of working in the financial, investment and legal services industry. She is currently an Operating Director at Tengen Family Office Ltd.

She is a versatile solicitor with strong competencies in negotiation, business risk management and financial analysis who has provided support in setting up companies across different sectors, creating operational bases that have proved effective and efficient.

Mrs. Fajobi worked with International Finance Corporation from May 2014 to June 2017 as Project Lead (Nigeria) Africa Corporate Governance Programme. She also had extensive corporate counsel experience working at Standard Chartered Bank, Access Bank and the defunct Ocean Bank Plc.

She holds an LLM Degree (Merit) from University of London (2009) with specialization in Corporate and Commercial Law and Second-Class Upper Degree from University of Lagos (1999). She is a member of the Nigerian Bar Association.

She sits on the Boards of Coronation Insurance Plc, Coronation Securities Limited, One Terminals Limited and Coronation GPS Limited.

Mrs. Fajobi joined the Board in November 2020.

She is 43 years old as at the end of the reporting period.

Mr. Herbert Wigwe, FCA
Group Managing Director /Chief Executive Office

Mr. Wigwe started his professional career with Coopers & Lybrand Associates, an international firm of Chartered Accountants. He spent over 10 years at Guaranty Trust Bank Plc where he managed several portfolios, including financial institutions, large corporates and multinationals. He left Guaranty Trust Bank as an Executive Director to
co-lead the transformation of Access Bank Plc in March 2002 as Deputy Managing Director. He was appointed Group Managing Director/CEO effective January 1, 2014.

Mr Wigwe is an alumnus of the Harvard Business School Executive Management Programme. He holds a master's degree in Banking and International Finance from the University College of North Wales, a master's degree in Financial Economics from the University of London and a B.Sc. degree in Accounting from the University of Nigeria,
Nsukka. He is also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

Mr Wigwe is the Chairman of The Access Bank (UK) Ltd and a Non-Executive Director of Nigerian Mortgage Refinance Company Plc; FMDQ OTC Securities Exchange; Shared Agents Network Expansion Facilities Ltd; NG Clearing Limited and Agri-Business/ SME Enterprises Investment Scheme. He also sits on the Boards of CACOVID-19 LTD/GTE, HIV Trust Fund of Nigeria and the Nigerian Business Coalition Against Aids.

He is 54 years old as at the end of the reporting period.

Mr. Roosevelt Ogbonna, FCA, CFA
Group Deputy Managing Director

Mr Ogbonna was appointed Executive Director, Commercial Banking Division in October 2013. He became Group Deputy Managing Director on May 1, 2017. He has over 20 years' experience in banking, cutting across Treasury, Commercial and Corporate Banking. He joined Access Bank in 2002 as a Manager from Guaranty Trust Bank Plc.

He is a Fellow of the Institute of Chartered Accountants of Nigeria and holds a second-class upper degree in Banking and Finance from the University of Nigeria, Nsukka. He is also a Chartered Financial Analyst and has attended Executive Management Development Programmes in several leading institutions.

Mr. Ogbonna represents the Bank on the boards of Access Bank (Zambia) Ltd, Central Securities Clearing System Plc, Africa Finance Corporation and The Access Bank (UK) Limited.

He is 47 years old as at the end of the reporting period.

Mr. Victor Etuokwu, HCIB
Executive Director
Personal Banking

Mr. Etuokwu's appointment as Executive Director was renewed in January 2018 following the expiration of his initial term. He was first appointed Executive Director of the Bank in January 2012. He oversees the Personal Banking Division and has over two decades of banking experience cutting across Operations, Information Technology, and Business Development.

He joined the Bank in July 2003 from Citibank Nigeria. Mr Etuokwu holds a Bachelor of Science degree and a Master's in Business Administration from the University of Ibadan and the University of Benin respectively.

He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria and represents the Bank on the boards of E-Tranzact Plc and Unified Payments Services Limited. He also sits on the Board of ACT Foundation and Access Pension Fund Custodian Limited.

He is 54 years old as at the end of the reporting period.

Dr. Gregory Jobome, HCIB
Executive Director
Chief Risk Officer

Dr. Jobome is a thoroughbred banking professional with a strong academic background. He obtained a first-class degree in Economics from the University of Maiduguri in 1986 and a Distinction in Master of Business Administration degree from Obafemi Awolowo University in 1990. Dr Jobome also obtained a Master of Science Degree (1994) and a Doctorate degree (2002) both in Economics and Finance from Loughborough University, UK.

He has over 26 years of working experience obtained from Guaranty Trust Bank Plc, the University of Liverpool Management School, Manchester Business School and Access Bank Plc. He joined Access Bank Plc in July 2010 as a General Manager and Chief Risk Officer. Prior to joining the Bank, he was a Risk Management Consultant to Guaranty Trust Bank Plc.

Dr. Jobome has been instrumental to the many giant strides attained by the Bank in the risk management space. Dr. Jobome is a highly sought-after resource person and has held several key industry leadership positions, including; Director, CRC Credit Bureau Ltd; President, Risk Management Association of Nigeria; Member, Working Group on Regulatory Reforms of the Institute of International Finance and Member, Capacity Building Committee. He is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria. He was appointed to the Board in January 2017.

He is a Non-Executive Director on the Board of CRC Credit Bureau Ltd, an investee company of the Bank. He also sits of the Board of Access Bank Mozambique S.A

He is 56 years old as at the end of the reporting period.

Ms. Hadiza Ambursa
Executive Director
Commercial Banking

Ms. Ambursa was appointed Executive Director, Commercial Banking Division in November 2017.

She has over two decades of banking experience from Guaranty Trust Bank and Access Bank. Her experience spans across Transaction Services, Public Sector, Commercial Banking and Corporate Finance. Prior to joining Access Bank in 2003, she was a Relationship Manager, Public Sector in Guaranty Trust Bank Plc.

Ms. Ambursa graduated with a Bachelor of Science degree in Political Science from University of Jos in 1991 and obtained a master's degree in Law and Diplomacy in 1996 from the same university. She subsequently attended Massachusetts Institute of Technology ('MIT') where she obtained a Master's in Business Administration in 2009. She has attended several Executive Management Development Programmes in leading institutions, including Harvard Business School and MIT.

She sits on the Boards of Access Bank Ghana Plc and Bank Directors Association of Nigeria.

She is 51 years old as at the end of the reporting period.

Mr. Adeolu Bajomo
Executive Director
Information Technology & Operations

Mr. Bajomo is a globally focused financial services executive with achievements cutting across banking, insurance and capital market.

Mr. Bajomo's appointment as Executive Director, Information Technology and Operations was approved by the Central Bank of Nigeria in January 2018.

Prior to joining the Bank, he was Executive Director, Market Operations and Technology at the Nigerian Stock Exchange. In that role, he delivered market-wide transformation initiatives that firmly established the Exchange as the second largest stock exchange in Africa by market capitalization with over 7 million investors. Mr. Bajomo worked as Regional Head of Transformation Programme at Barclays Bank Plc UK (2007-2011); Head of IT Strategy and Systems at Pearl Insurance Group, UK (2006-2007) and IT Director at Fortis Bank UK (1997-2006) amongst other leadership roles.

He holds an MBA from CASS Business School; MSc Information Systems Engineering from South Bank University, London and a BSc in Civil Engineering from University of Ife. Mr. Bajomo is a chartered member of British Computer Society and a member of Institute of Directors, UK.

He sits on the Boards of Nigerian Interbank Settlement System ('NIBSS') Plc and Access Bank Kenya Plc.

He is 55 years old as at the end of the reporting period.

Mrs. Chizoma Okoli, HCIB
Executive Director
Business Banking Division

Mrs. Okoli commenced her banking career as an Executive Trainee in the Operations Unit of Diamond Bank Plc in April 1992 and served in various capacities in the bank until her appointment as an Executive Director in Diamond Bank in September 2016.

She joined the Board of Access Bank Plc in March 2019 following the merger with the former Diamond Bank.

She is a 1989 Law Graduate from the University of Benin and was called to the Nigerian Bar in December 1990. She holds an MBA from Warwick Business School, Coventry, UK. Mrs. Okoli has attended various courses in Nigeria and abroad including the Advanced Management Programme of Wharton Executive Education, University of Pennsylvania, and the Senior Management Programme of the Lagos Business School. She is also an Honorary Member of the Chartered Institute of Bankers of Nigeria.

She represents the Bank on the Board of Aspire Nigeria Fund Trust.

She is 52 years old as at the end of the reporting period.

Mr. Oluseyi Kumapayi, FCA
Executive Director, African Subsidiaries

Prior to his appointment as an Executive Director, Mr. Kumapayi was the Group Chief Financial Officer of Access Bank Plc, a position he has held since 2008. He is a highly accomplished and result-driven professional. He has over 20 years of progressive banking experience spanning across Finance, Strategy, Risk Management, and Treasury.

He joined Access Bank in 2002 as the Head of Financial Control and Credit Risk Management. Prior to joining Access Bank, he held controller and analyst positions with First City Monument Bank Limited and Guaranty Trust Bank Plc respectively.

Since joining Access Bank, he has played a significant role in the creation of the largest retail bank in Nigeria and specific corporate actions that have supported the Bank's growth objectives and enhanced its capacity to play in key local and international markets.

Mr. Kumapayi is an alumnus of Harvard Business School. He holds a master's degree in Mechanical Engineering from the University of Lagos, and a bachelor's degree in Agricultural Engineering from the University of Ibadan, Nigeria. He has also attended several Executive Management Development programmes in leading institutions including INSEAD, IMD and London Business School. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), and a member of the Global Association of Risk Professionals (GARP), the Chartered Institute of Taxation of Nigeria (CITN) and the Chartered Institution of Bankers of Nigeria (CIBN). He is a board member of the Ogun State Security Trust Fund.

He joined the Board in November 2020.

He is 49 years old as at the end of the reporting period.

Sunday Ekwochi, HCIB
Company Secretary

Mr. Ekwochi was appointed the Company Secretary of the Bank in March 2010. He graduated as a top student in Law from the University of Jos with a second-class upper degree in 1996 and from the Nigerian Law School in February 1998 with a second-class upper degree. He has over 19 years' banking experience from the then African Express Bank, Fidelity Bank and Access Bank Plc.

Mr. Ekwochi qualified as a Chartered Secretary with the Institute of Chartered Secretaries and Administrators, London in 2003. He has attended Management Development Programmes at London Business School, Euromoney, Wharton Business School and IMD. He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

Mr. Ekwochi serves as the Vice-Chair of the Association of Banks Legal Advisers and Company Secretaries.

Performance Monitoring and Evaluation

The Board, in the discharge of its oversight function, continues to engage management in the planning, definition and execution of the Bank's strategy. Management's report on the execution of defined strategic objectives is a regular feature of the Board's agenda, thus providing the Board with the opportunity to evaluate and constructively challenge management in the execution of strategy.

The Board usually holds an annual Board retreat, where the strategy for the coming year is rigorously debated and agreed between Management and the Board. The Board held its 13th Annual Retreat on February 5-6, 2021. Management provides the Board with quarterly update on implementation of the strategy, affording the Board the opportunity to critique the Management's performance and access significant risk issues as well as mitigating controls implemented.

Management's report on the Group's actual financial performance is presented relative to the planned budget to enable the Board assess performance. Peer comparison is also a regular feature of Management reporting to the Board to benchmark performance against that of our competitors.

The Bank's performance on Corporate Governance is continuously being monitored and reported. We carry out extensive reviews of the Bank's compliance with the CBN, SEC and FRC Codes of Corporate Governance and with appropriate reports rendered to the regulators.

Board assessment, when done effectively provides the Board the opportunity to identify and remove obstacles to better performance and to strengthen what works well. The Board has established a system of independent annual evaluation of its performance, that of its committees and individual Directors. The evaluation is done by an independent consultant approved by the Board. Ernst and Young was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2020. The Consultants also conducted an evaluation of the Bank's corporate governance practices by reviewing the Bank's corporate governance framework as well as all relevant policies and procedures. Ernst and Young was appointed as the Bank's Corporate Governance Consultants in 2018 and has held office for 3 years.

The Board believes that the use of an independent consultant promotes the objectivity and transparency of the evaluation process. Our Board and corporate governance assessment transcend box ticking and involves a rigorous process of on-line self-evaluation and 360° feedback with a heavy focus on qualitative considerations. It includes the assessment of the Bank's corporate governance frameworks and polices, evaluation of the Board and the Committees as well as the effectiveness of the Independent Directors.

In compliance with the CBN Code, the 2020 Annual Board Performance Evaluation Report was presented to shareholders at the Bank's 32nd Annual General Meeting held on April 30, 2021 by a representative of Ernst and Young while the result of the 2020 Board Performance was presented at the Board meeting held on January 29, 2021.

Board Composition- Guiding Principles

The Group's Fit and Proper Person Policy is designed to ensure that the Bank and its subsidiary entities are managed and overseen by competent, capable and trustworthy individuals. The Board Governance, Nomination and Remuneration Committee is responsible for Executive Directors' succession planning and recommends new appointments to the Board. The Committee takes cognisance of the existing range of skills, experience, background and diversity on the Board in the context of the Bank's strategic direction before articulating the specifications for the candidate sought. The Committee also considers the need for appropriate demographic and gender balance in recommending candidates for Board appointments. Candidates who meet the criteria set by the Committee are subjected to enhanced due diligence enquiries. We are comfortable that the Board is sufficiently diversified to optimise its performance and deliver sustainable value to stakeholders.

The Board's composition subscribes to global best practice on the need for Non-Executive Directors to exceed Executive Directors. In H1, 2021, the Board had more Non-Executive Directors than Executive Directors, with four of the Non-Executive Directors being independent as against two required by the CBN Code of Corporate Governance for Banks in Nigeria. Non-Executive Directors are appointed to the Board to bring independent, specialist knowledge and impartiality to strategy development and execution monitoring. The Board is committed to improving gender diversity in its composition in line with its diversity policy. 25% of the Executive Management team is composed of females while the Board had 35% female memberships as of June 30, 2021 above Nigeria's national average of 12%.

Retirement and Re-election of Directors

In accordance with the Bank's Articles of Association, one third of all Non-Executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting.

Mr. Paul Usoro, SAN retired at the Bank's 32nd Annual General Meeting held on April 30, 2021 and being eligible for re-election was duly re-elected by shareholders. The shareholders also approved the appointments of Messrs. Hassan Usman and Oluseyi Kumapayi as Independent Non-Executive Director and Executive Director respectively as well as the appointment of Mrs Omosalewa Fajobi as a Non-Executive Director. The appointment of the new Directors was earlier approved by the Board and the Central Bank of Nigeria.

There were no changes to the Board composition during the reporting period.

Board Effectiveness

Today's boards are required to be more engaged, more knowledgeable and more effective than in the past as they contend with a host of new pressures, challenges and risks. As stakeholders' expectations from the Board continue to grow, the Board must set its strategic priorities often across diverse business segments and markets and monitor the firm's risk profile. The Board must demonstrate that good corporate governance is not a box-ticking exercise by setting the right ethical tone from the top. The effectiveness of the Board is achieved through composition, induction, training and a rigorous evaluation process. The effectiveness of the Board derives from the diverse range of skills and competences of the Executive and Non-Executive Directors who have exceptional degrees in banking, financial and broader professional and entrepreneurial experiences.

Training and Induction

We recognise that being a Director is becoming increasingly more challenging, thus we ensure that Board members are provided with regular domestic and international trainings to improve their decision-making capacity, thereby contributing to the overall effectiveness of the Board.

New Directors are exposed to a personalised induction programme which includes one-on-one meetings with Executive Directors and Senior Executives responsible for the Bank's key business areas. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction programme covers an overview of the Strategic Business Units as well as Board processes and policies. A new Director is provided with an induction pack containing charters of the various Board Committees, significant reports, important statutes and policies, minutes of previous Board meetings and a calendar of Board activities. Based on the recommendation of the Governance, Nomination and Remuneration Committee, the Board approves the annual training plan and budget for Directors while the Company Secretary ensures the implementation of the plan with regular reports to the Board.

During the period under review, the Directors attended the training programmes detailed below:

S/N	Director	Training	Facilitator	Date
1	Gregory Jobome	Asset Declaration	Minerva Management Limite	May 24, 2021
2	Ade Bajomo			May 31, 2021
3	Victor Etuokwu			June 03, 2021
4	Chizoma Okoli			June 03, 2021
5	Hadiza Ambursa			June 04, 2021
6	Seyi Kumapayi			June 04, 2021

Shareholders and Regulatory Engagement

The Board recognizes the importance of free flow of complete, adequate and timely information to shareholders to enable them to make informed decisions and is committed to maintaining high standards of corporate disclosure. The implementation of our Investor Communication and Disclosure Policy helps the Board to understand shareholders views about the Bank. The Bank's website www.accessbankplc.com is regularly updated with both financial and non-financial information.

Shareholders meetings are convened and held in an open manner in line with the Bank's Articles of Association and existing statutory and regulatory regimes, for the purpose of deliberating on issues affecting the Bank's strategic direction. The Annual General Meeting is a medium for promoting interaction between the Board, management, and shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies, while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, the Central Bank of Nigeria and the Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of meetings.

An Extraordinary General Meeting may also be convened at the request of the Board or shareholders holding not less than 10% of the Bank's Paid-Up Capital.

The Group has a dedicated Investors Relations Unit that facilitates communication with shareholders and analysts on a regular basis and addresses their queries and concerns. Investors and stakeholders are frequently provided with information about the Bank through various channels, including Quarterly Investors Conference Calls, the General Meeting, the Bank's website, the Annual Report and Accounts, Non-Deal Road Shows, and Investors Forum at the Stock Exchange.

The Board ensures that communication with the investing public about the Bank and its subsidiaries is timely, factual, broadly disseminated, and accurate in accordance with all applicable legal and regulatory requirements. The Bank's reports and communication to shareholders and other stakeholders are in plain, readable, and understandable format. The Board ensures that shareholders' statutory and general rights are always protected, particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions. Our shareholders are encouraged to share in the responsibility of sustaining the Bank's corporate values by exercising their rights as protected by law.

Access to Information and Resources

Management recognises the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them to make informed decisions in discharge of their responsibilities. There is ongoing engagement between Executive Management and the Board, and the Heads of Strategic Business Units attend Board meetings to make presentations. The Bank's External Auditors attend the meetings of the Group Board Audit Committee and the Group Statutory Audit Committee to make presentation on the audit of the Group's Financial Statements. Directors have unrestricted access to Management and company information in addition to the necessary resources to carry out their responsibilities including access to external professional advice at the Bank's expense in line with policy.

Board Responsibilities

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. It has the overall responsibility for reviewing the strategic plans and performance objective, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance review and corporate governance practices.

Term of Office

The Bank's Non-Executive Directors are appointed for an initial term of four years. Subject to the provisions of the Articles of Association on the retirement of Non-Executive Directors by rotation, they can be re-elected for a maximum of two subsequent terms of four years each, subject to satisfactory performance and shareholders' approval. The Independent Non-Executive Directors are subject to a maximum tenure of eight years as stipulated by the Central Bank of Nigeria's Guidelines for the Appointment of Independent Directors. Our Executive Directors are appointed for an initial term of four years and their tenure can be renewed for further terms subject to a satisfactory annual performance evaluation. Executive Directors are prohibited from holding other directorships outside the Access Bank Group or investee companies.

Separation of Roles

In line with best practice, the Chairman and Chief Executive Officer's roles are assumed by different individuals; this ensures the balance of power and authority. The Board can reach impartial decisions as its Non-Executive Directors are a blend of Independent and Non-Independent Directors with no shadow or Alternate Directors, thus ensuring that their independence is brought to bear on decisions of the Board.

The Role of the Board

The principal responsibility of the Board is to promote the long-term success of the Group by creating and delivering sustainable shareholder value. The Board leads and provides direction for the Management by setting policy directions and strategy, and by overseeing their implementation. The Board seeks to ensure that Management delivers on both its long-term growth and short-term objectives, striking the right balance between both goals. In setting and monitoring the execution of our strategy, consideration is given to the impact that those decisions will have on the Group's obligations to various stakeholders, such as shareholders, employees, suppliers and the community in which the Group operates.

The Board is responsible for ensuring that robust systems of internal controls are maintained, and that Management maintains an effective risk management and oversight process across the Group so that growth is delivered in a controlled and sustainable way. In addition, the Board is responsible for determining and promoting the collective vision of the Group's purpose, values, culture and behaviours.

In carrying out its oversight functions, matters reserved for the Board include but are not limited to:

- Defining the Bank's business strategy and objectives.
- Formulating risk policies.
- Approval of quarterly, half yearly and full year financial statements.
- Approval of significant changes in accounting policies and practices.
- Appointment or removal of Directors and the Company Secretary.
- Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure.
- Approval of charter and membership of Board Committees.
- Setting of annual Board objectives and goals.
- Approval of allotment of shares.
- Appointment and removal of Chief Audit Executive.
- Approval of the framework for determining the policy and specific remuneration of Executive Directors.
- Monitoring delivery of the strategy and performance against plan.
- Reviewing and monitoring the performance of the Group Managing Director and the Executive team.
- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and Senior Executives.
- Ensuring effective communication with shareholders.
- Ensuring the integrity of financial reports by promoting disclosure and transparency.
- Succession planning for key positions.

The Role of the Group Chairman

The principal role of the Chairman is to provide leadership and direction to the Board. The Group Chairman is accountable to the Board and shareholders and liaises directly with the Board and the Management of the Company, through the Group Managing Director/Chief Executive Officer. The positions of the Group Chairman and the Group Managing Director/Chief Executive Officer are held by separate individuals.

More specifically, the duties and responsibilities of the Group Chairman are as follows:

- Primarily responsible for the effective operation of the Board and ensures that the Board works towards achieving the Bank's strategic objectives.
- Setting the agenda for Board meetings in conjunction with the Group Managing Director/Chief Executive Officer and the Company Secretary.
- Approval of the Annual Board Activities Calendar.

- Playing a leading role in ensuring that the Board and its Committees have the relevant skills, competencies for their job roles.
- Ensuring that Board meetings are properly conducted and that the Board is effective and functions in a cohesive manner.
- Ensuring that the Directors receive accurate and clear information about the affairs of the Bank in a timely manner to enable them to take sound decisions.
- Acting as the main link between the Board and the Group Managing Director/Chief Executive Officer as well as advising the Group Managing Director/Chief Executive Officer on the effective discharge of his duties.
- Ensuring that all Directors focus on their key responsibilities and play constructive roles in the affairs of the Bank
- Ensuring that induction programmes are conducted for new Directors and continuing education programmes are in place for all Directors.
- Ensuring effective communication with the Bank's institutional shareholders and strategic stakeholders.
- Taking a leading role in the assessment, improvement and development of the Board.
- Presiding over General Meetings of shareholders.

The Role of Group Managing Director/Chief Executive Officer ('GMD/CEO')

The GMD/CEO has the overall responsibility for leading the development and execution of the Bank's long-term strategy, with a view to creating sustainable shareholder value. He manages the day-to-day operations of the Bank and ensures that operations are consistent with the policies approved by the Board.

Specifically, the duties and responsibilities of the GMD/CEO include the following:

- Acts as head of the Management team and is answerable to the Board.
- Responsible for ensuring that a culture of integrity and legal compliance is imbibed by personnel at all levels of the Bank.
- Responsible for the Bank's consistent achievement of its financial objectives and goals.
- Ensures that the Bank's philosophy, vision, mission and values are disseminated and practised throughout the Bank.
- Ensures that the allocation of capital reflects the Bank's risk management philosophy.
- Ensures that the Bank's risks are controlled and managed effectively, optimally and in line with the Bank's strategies and objectives.
- Supervision of the Group Deputy Managing Director, Executive Directors and all subsidiaries and affiliate companies.
- Serves as the Bank's Chief Spokesman and ensures that it is properly presented to its various publics.
- Ensures that the Directors are provided with enough information to support their decision making.

The Role of the Group Deputy Managing Director ('GDMD')

The GDMD provides support to the GMD/CEO towards the achievement of the corporate philosophy, business strategy, financial and other objectives of the Bank. He reports to the GMD/CEO and is responsible for the supervision of such aspects of the Bank as may be approved by the Board of Directors and exercises such powers and carry out such functions as may be delegated by the GMD/CEO.

The Role of the Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's Memorandum and Articles of Association, plus relevant rules and regulations, are complied with. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value. The Company Secretary assists the Chairman in ensuring good information flow within the Board and its Committees and between Management and Non-Executive Directors.

The Company Secretary also facilitates the orientation of new Directors and coordinates their professional development. As primary compliance officer for Group's compliance with the listing rules of the Nigerian Stock Exchange, the Company Secretary is responsible for designing and implementing a framework for the Bank's compliance with the listing rules, including advising Management on prompt disclosure of material information. The Company Secretary attends and prepares the minutes for all Board meetings. As secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary also assists in the development of the agenda for the various Board and Board Committee meetings. The appointment and the removal of the Company Secretary are the exclusive preserve of the Board.

Delegation of Authority

The ultimate responsibility for the Bank's operations rests with the Board. The Board retains effective control through a well-developed Committee structure that provides in-depth focus on the Board's responsibilities. Each Board Committee has a written term of reference and presents regular reports to the Board on its activities. The Board delegates authority to the Group Managing Director/Chief Executive Officer to manage the affairs of the Group within the parameters established by the Board from time to time.

Board Meetings

The Board meets quarterly, and emergency meetings are convened as may be required. The Annual Calendar of Board and Committee meetings is approved in advance during the last quarter of the preceding year. Material decisions may be taken between meetings through written resolutions in accordance with the Bank's Articles of Association. The Annual Calendar of Board Activities includes a Board Retreat at an offsite location to consider strategic matters and review the opportunities and challenges facing the institution.

All Directors are provided with notices, agenda, and meeting papers in advance of each meeting to enable Directors adequately prepare for the meeting. Where a Director is unable to attend a meeting, he/she is still provided with the relevant papers for the meeting. Such a Director also reserves the right to discuss with the Chairman any matter he/she may wish to raise at the meeting. Directors are also provided with regular updates on developments in the regulatory and business environment.

The Board in demonstration of its commitment to environmental sustainability operates a secure electronic portal-Diligent Board book- for the circulation of board documentation to members.

The Board met 4 times during the period under review.

The Board devoted considerable time and efforts on the following issues in H1, 2021.

- Approval of Interim and Full Year Audited Financial Statements
- Consideration of top Management and Board appointments in the subsidiaries
- Renewal of Directors' employment contracts
- Approval of ICAAP document
- Approval of subsidiary expansion activities
- Approval of credit facilities
- Approval of reviewed Board and Board Committees' Charters
- Review and approval of policies

Board Meeting Attendance in H1, 2021

The membership of the Board and attendance at meetings in H1, 2021 are set out below.

Type of Meeting	**ANNUAL BOARD RETREAT**	**AGM**	**Board Meetings**			
Date	**February 5-6 2021**	**30/4/ 2021**	**29/1/ 2021**	**28/3/2021**	**29/4/2021**	**23/5/20 21**
Ajoritsedere Awosika	P	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P
Hassan Usman	P	P	P	P	P	P
Omosalewa Fajobi	P	P	P	P	P	P
Herbert Wigwe	P	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P	P
Victor Etuokwu	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P	P
Adeolu Bajomo	P	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P	P
Seyi Kumapayi	P	P	P	P	P	P

Board Committees

The Board exercises oversight responsibility through its standing committees, each of which has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board is not a member of any Committee.

The Board has seven standing committees, namely: the Risk Management Committee, the Audit Committee, the Governance, Nomination and Remuneration Committee, the Human Resources and Sustainability Committee, Digital and Information Technology Committee, Credit Committee and Technical Committee on Retail Expansion.

While the various Board committees have the authority to examine issues within their remit and report their decisions and/or recommendations to the Board, the ultimate responsibility for all matters lies with the Board.

Reports of Board Committees

This section highlights the activities of the Board Committees in H1, 2021.

Board Human Resources and Sustainability Committee

The membership of the Committee and attendance at the meetings in H1, 2021 are as set out below:

Name	**11/1/2021**	**12/4/2021**

Paul Usoro	P	P
Anthonia Ogunmefun	P	P
Adeniyi Adekoya	P	P
Iboroma Akpana	P	P
Okey Nwuke	P	P
Ifeyinwa Osime	P	P
Hassan Usman	P	P
Herbert Wigwe	P	P

The Committee advises the Board on its oversight responsibilities in relation to the Bank's human resource policies, plans, processes and procedures as well as sustainability best practices.

The key decisions of the Committee in the reporting period included recommendation of top management appointments, monitoring African subsidiaries' integration , consideration of quarterly reports on human resources and sustainability as well as review and recommendation of human resources polices to the Board for approval.

The Committee met 2 times during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Board Governance, Nomination and Remuneration Committee

The membership of the Committee and attendance at the meetings in H1, 2021 are as set out below.

Name	**12/01/ 2021**
Iboroma Akpana	P
Adeniyi Adekoya	P
Anthonia Ogunmefun	P
Paul Usoro	P
Ifeyinwa Osime	P

The Committee advises the Board on its oversight responsibilities in relation to governance, appointment, re-election and removal of Directors. The Committee also advises the Board on issues related to Directors' induction, training as well as Board performance evaluation. The Committee is responsible for recommending appropriate remuneration for Directors and other staff to the Board for approval.

The key decisions of the Committee in the reporting period included recommendation of renewal of employment contracts for Executive Directors; Board appointments, including subsidiary Board appointments as well as 2021 training plan and budget for Non-Executive Directors.

The Committee met once during the reporting period.

Mr. Iboroma Akpana is the Chairman of the Committee.

Board Credit Committee

The membership of the Committee and Directors' attendance at meetings in H1, 2021 are as set out below.

Name	**11-1 -21**	**16-2 -21**	**16-3-21**	**12-4-21**	**18-5-21**	**15-6 -21**	**29-6- -21**
Okey Nwuke	P	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P	P
Hassan Usman	P	P	P	P	P	P	P
Omosalewa Fajobi	P	P	P	P	P	P	P
Herbert Wigwe	P	P	P	P	A	A	P
Roosevelt Ogbonna	P	P	P	P	P	P	P
Victor Etuokwu	P	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	A	P
Hadiza Ambursa	P	P	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P	P	P
Seyi Kumapayi	P	P	P	P	P	P	P

The Committee considers and approves loan applications above certain limits (as defined by the Board from time to time) which have been recommended by the Management Credit Committee. It also acts as a catalyst for credit policy change and oversees the administration and effectiveness of the Bank's credit policies.

The Committee's key activities during the period included review and approval of credit facilities; review of Risk Based Examination updates, review of subsidiaries' credit portfolios, review of the Credit Portfolio and Collateral Adequacy Assessment reports as well as review of audit report on the Credit Risk Management function.

The Committee met 7 times during the reporting period.

Dr. Okey Nwuke is the chairman of the Committee.

Board Risk Management Committee

The membership of the Committee and attendance at meetings in H1, 2021 are as set out below.

Name	**14/01/2021**	**15/04/2021**
Anthonia Ogunmefun	P	P
Paul Usoro	P	P
Adeniyi Adekoya	P	P
Iboroma Akpana	P	P
Okey Nwuke	P	P
Hassan Usman	P	P
Omosalewa Fajobi	P	P
Herbert Wigwe	P	P
Roosevelt Ogbonna	P	P
Gregory Jobome	P	P
Adeolu Bajomo	P	P

The Committee assists the Board in fulfilling its oversight responsibility relating to the establishment of policies, standards and guidelines for non-credit risk management and compliance with legal and regulatory requirements. In addition, it oversees the establishment of a formal written policy on the overall risk management system. The Committee also ensures compliance with established policies through periodic review of management's reports and ensures the appointment of qualified officers to manage the risk function. It evaluates the Bank's risk policies on a periodic basis to accommodate major changes in the internal or external environment.

During the period under review, the Committee considered and recommended some policies to the Board for approval, considered stress test reports on the Bank's Balance Sheet, received risk reports from all the risk areas except credit and made relevant recommendations to the Board for approval.

The Committee met 2 times during the reporting period.

Mrs. Anthonia Ogunmefun is the Chairman of the Committee.

Board Audit Committee

The membership of the Committee and attendance at meetings in H1, 2021 are as set out below.

Name	**13-01-2021**	**28-01-2021**	**14-04-2021**
Adeniyi Adekoya	P	P	P
Iboroma Akpana	P	P	P
Paul Usoro	P	P	P
Okey Nwuke	P	P	P
Ifeyinwa Osime	P	P	P
Hassan Usman	P	P	P
Omosalewa Fajobi	P	P	P

The Committee supports the Board in performing its oversight responsibility relating to the integrity of the Bank's Financial Statements and the financial reporting process, as well as the independence and performance of the Bank's Internal and External Auditors. It oversees the Bank's system of internal control and the mechanism for receiving complaints regarding the Bank's accounting and operating procedures.

The Bank's Chief Audit Executive and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee.

The key issues considered by the Committee during the period included the review and recommendation of the 2020 Group's Full Year Audited Financial Statements. The Committee also considered Whistle blowing reports as well as reports of the Group Internal Auditor and Internal Audit Consultants.

The Committee met three times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee.

Board Digital & Information Technology Committee

The membership of the Committee and attendance at meetings in H1, 2021 are as set out below.

Name	**12-01-2021**	**13-04-2021**
Adeniyi Adekoya	P	P
Ifeyinwa Osime	P	P
Anthonia Ogunmefun	P	P
Iboroma Akpana	P	P

Okey Nwuke	P	P
Hassan Usman	P	P
Omosalewa Fajobi	P	P
Herbert Wigwe	P	P
Roosevelt Ogbonna	P	P
Victor Etuokwu	P	P
Gregory Jobome	P	P
Adeolu Bajomo	P	P

The Committee was established to oversee the end-to-end digital delivery of the Bank's products and services. The Committee receives regular reports on the Bank's digital ecosystem and customer experience. It also provides oversight over the execution of the Bank's IT strategy and monitors the Bank's investment in IT infrastructure and support systems that underpin the safe and effective delivery of the products and services.

The key issues considered by the Committee during the period included the reports on cyber security and digital risk, partnerships and digital eco systems, customer feedback as well as audit report on the Bank's information technology and digital systems.

The Committee met 2 times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee

Board Technical Committee on Retail Expansion

The membership of the Committee and attendance at meetings in H1, 2021 are as set out below.

Name	**17/04/2021**
Paul Usoro	P
Okey Nwuke	P
Adeniyi Adekoya	P
Iboroma Akpana	P
Ifeyinwa Osime	P
Herbert Wigwe	P
Roosevelt Ogbonna	P
Gregory Jobome	P
Seyi Kumapayi	P

The Committee exercises oversight on the Bank's strategic expansion activities involving acquisition, strategic relationships, investment and growth activities in the retail space. The Committee is saddled with the responsibility of reviewing, evaluating and approving acquisitions, mergers and strategic relationships as well as green and brown fields investments involving the Bank. It also oversees the post-acquisition integration and business development opportunities.

The key issues considered by the Committee during the period included the review of retail growth expansion strategies.

The Committee met once during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Key

Key	
P	Present
A	Absent

DIRECTORS' INTEREST IN CONTRACTS

Disclosure on Directors' interest in contracts in contained in this report.

Executive Committee

The Executive Committee (EXCO) is made up of the Group Managing Director as Chairman, the Group Deputy Managing Director and all Executive Directors. The Committee is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Bank's resources.

Management Committees

These are standing committees made up of the Bank's Executive and Senior Management staff. The Committees are set up to identify, analyse and make recommendations on risks pertaining to the Bank's day to day activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and provide input to the various Board Committees in addition to ensuring the effective implementation of risk polices. These Committees meet as frequently as risk issues occur and take actions and decisions within the ambit of their powers.

The Management Committees include Management Credit Committee, Asset and Liabilities Committee, Enterprise Risk Management Committee, the Operational Risk Management Committee, the Criticised Assets Committee and the IT Steering Committee.

Statutory Audit Committee

In compliance with Section 404 of the Companies and Allied Matters Act 2020, the Bank constituted a Standing Shareholders Audit Committee. The Committee is constituted to ensure its independence, which is fundamental to upholding stakeholders' confidence in the reliability of the Committee's report and the Group's Financial Statements. There is no Executive Director sitting on the Committee. The Chairman of the Committee is an ordinary shareholder, while the shareholders' representatives are independent and answerable to the shareholders.

The duties of the Committee are as enshrined in Section 404 (3) and (4) of CAMA 2020. The Committee is responsible for ensuring that the company's financials comply with applicable financial reporting standards.

The profiles of the shareholders' representatives in the Committee are as follows:

Henry Omatsola Aragho, FCA
Chairman, Statutory Audit Committee

Mr. Aragho obtained his Higher National Diploma (Accounting) from Federal Polytechnic Auchi in 1981 and a master's degree in Business Administration from Ogun State University (1999). He qualified as a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN) in 1985. He was admitted as an Associate Member of Institute of Chartered Accountants of Nigeria in March 1986 and subsequently qualified as a fellow of the Institute. He joined the Nigerian Ports Authority in 1982 and retired as General

Manager Audit in 2005. He is presently the Managing Consultant of Henrose Consulting Limited and Managing Director Henrose Global Resources Limited.

He was appointed the Chairman of the Committee on July 27, 2016.

Emmanuel Olutoyin Eleoramo
Member, Statutory Audit Committee

Mr. Eleoramo holds a First-Class degree in Insurance and a master's degree in Business Administration (MBA), both from the University of Lagos. He is an Associate of the Chartered Insurance Institute of London and a Fellow of the Chartered Insurance Institute of Nigeria. He has over 36 years of varied experience in general insurance marketing, underwriting and employee benefits consultancy. He is a key player in the Nigerian insurance industry and a past President of the Chartered Insurance Institute of Nigeria. He was the Managing Director/Chief Executive Officer of Nigerian French Insurance Company Ltd and later Whispering Hope Insurance Company Ltd (now Sterling Assurance Nigeria Ltd) before his appointment as the Managing Director/Chief Executive Officer of Nigerian Life and Pensions Consultants Limited (now Nigerian Life and Provident Company Limited) from where he retired in 2018.

Idaere Gogo-Ogan
Member, Statutory Audit Committee

Mr. Ogan is a 1987 graduate of Economics from the University of Port Harcourt and holds a master's degree in International Finance from Middlesex University, London. He joined the Corporate Banking Department of Guaranty Trust Bank Plc in 1996. He left Guaranty Trust Bank to found D' Group, incorporating Becca Petroleum Limited and Valuestream and Cordero Engineering Ltd.

He is a Non-Executive Director of Coronation Merchant Bank Limited and Chairman of United Securities Limited.

Composition and Attendance
The composition of the Bank's Statutory Audit Committee is in compliance with the Companies and Allied Matters Act 2020 and comprises 3 shareholders and 2 Non-Executives, one of whom is an Independent Non-Executive Director while the other is independent of the management of the Bank.

The attendance at meetings in H1, 2021 are as set out below.

Name	**28-01-2021**	**28-03-2021**
Henry Omatsola Aragho Chairman Shareholder representative	P	P
Idaere Gogo Ogan Member Shareholder representative	P	P
Emmanuel O. Eleoramo Member Shareholder representative	P	P
Adeniyi Adekoya	P	P

Member Board representative		
Okey Nwuke Member Board representative	P	P

Tenure of the Statutory Audit Committee

The tenure of each Committee member lasts from the date of election at an Annual General Meeting till the next. The membership may, however, be renewed through re-election at the next Annual General Meeting.

Role and Focus of the Statutory Audit Committee

The duties of the Statutory Audit Committee are as enshrined in Section 404 (3) and (4) of CAMA. The statutory provisions are supplemented by the provision for the Codes of Corporate Governance issued by the CBN and SEC and are highlighted as follows:

- Ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- Reviewing the scope and planning of audit requirements.
- Reviewing the findings on management matters in conjunction with the external auditor and management's responses thereon.
- Keeping under review the effectiveness of the Company's system of accounting and internal control.
- Makings recommendations to the Board on the appointment, removal and remuneration of the external auditors of the Company, ensuring the independence and objectivity of the external auditors and that there is no conflict of interest which could impair their independent judgement.
- Authorising the internal auditor to carry out investigations into any activity of the Company which may be of interest or concern to the Committee.
- Assisting in the oversight of the integrity of the company's financial statements and establish and develop the internal audit function.

H1, 2021 Audit Fees

The audit fees paid by the Bank to PricewaterhouseCoopers, external auditors for the H1, 2021 statutory audit was N322,500,000 while there were no non-audit services rendered to the Bank during the period in review.

Going Concern

The Directors confirm that after making appropriate enquiries, they have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

External Auditors

Messrs PricewaterhouseCoopers ('PwC') acted as our external auditors for H1, 2021. The Board confirms that the Bank has complied with the regulatory requirement as enshrined in the CBN and SEC Codes of Corporate Governance on the rotation of audit firm and audit partners. PwC was appointed the Bank's sole external auditors from the 2013 Financial year and has held office for eight years.

Succession planning

The Board has a robust policy which is aligned to the Bank's performance management process. The policy identifies key positions, including Country Managing Director positions for all the Group's operating entities in respect of which there will be formal succession planning. The policy provides that potential candidates for positions shall be identified at the beginning of each financial year.

Code of Ethics

The Bank's Codes of Conduct specifies expected behaviours for its employees and Directors. The Codes are designed to empower employees and Directors and enable effective decision making at all levels of the business according to defined ethical principles.

New employees are required to read and sign an attestation that they understood the content. In addition, there is an annual re-affirmation exercise for all employees. There is a Compliance Manual that provides guidelines for addressing violations/breaches and ensuring enforcement of discipline amongst staff. The Bank also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head Group Human Resources is responsible for the design and implementation of the "Code of Conduct", while the Chief Conduct and Compliance Officer is responsible for monitoring compliance.

The Chief Conduct and Compliance Officer issues at the beginning of the year an Ethics and Compliance message to all employees. The message reiterates the Bank's policy of total compliance with all applicable laws, regulations, corporate ethical standards and policies in the conduct of the Bank's business. It enjoins staff to promote the franchise and advance its growth in a sustainable manner while ensuring compliance with relevant policies, laws and regulations.

The Directors also undertake to abide by the provisions of the Bank's Code of Ethics for the Board.

Dealing in Company Securities

The Bank implements a Securities Trading Policy that prohibits Directors, members of the Audit Committee, employees and all other insiders from abusing, or placing themselves under the suspicion of abusing price sensitive information in relation to the Bank's securities. In line with the policy, affected persons are prohibited from trading on the company's security during a closed period which is usually announced by the Company Secretary. The Bank has put in place a mechanism for monitoring compliance with the policy.

Remuneration Policy

The Group has established a remuneration policy that seeks to attract and retain the best talent in countries that it operates. To achieve this, the Group seeks to position itself among the best performing and best employee rewarding companies in its industry in every market that it operates. This principle will act as a general guide for the determination of compensation in each country. The objective of the policy is to ensure that salary structures, including short- and long-term incentives, motivate sustained high performance and are linked to corporate performance. It is also designed to ensure that stakeholders can make reasonable assessment of the Bank's reward practices. The Group complies with all local tax policies in the countries of operation.

Operating within the guidelines set by the principles above, compensation for country staff is based on the conditions in the local economic environment as well as the requirements of local labour laws. The Group Office usually commissions independent annual compensation surveys in the subsidiaries to obtain independent statistics the local markets pay to arrive at specific compensation structures for each country. Compensation will be determined annually at the end of the financial year. All structural changes to compensation must be approved by the Group Office.

Total compensation provided to employees will typically include guaranteed and variable portions. The specific proportion of each will be defined at the country level. Guaranteed pay will include base pay and other guaranteed portions while variable pay may be both performance-based and discretionary.

The Bank has put in place a performance bonus scheme which seeks to attract and retain high-performing employees. Awards to individuals are based on the job level, business unit performance and individual performance. Other determinants of the size of individual award amounts include pay levels for each skill set which may be influenced by the relative dearth of skills in an area.

The Bank complies with the Pension Reform Act on the provision of retirement benefit to employees at all levels. The Bank also operates an Employee Performance Share Plan for the award of units of the Bank's shares to its employees, subject to terms and conditions determined by the Board of Directors.

The Bank's long-term incentive programme rewards top management staff for their loyal and productive service to the Bank. This is to ensure that they share in the Bank's success and focus on its long-term sustainability. The justification for a long-term incentive plan for top management employees is very compelling. The stability, loyalty and commitment of top management employees need to be strengthened by a long-term incentive programme.

Whistle-Blowing Procedure

The Bank expects all its employees and Directors to observe the highest level of probity in their dealings with the Bank and its stakeholders. Our Whistle-Blowing Policy covers internal and external whistle-blowers and extends to the conduct of the stakeholders including employees, vendors, and customers. It provides the framework for reporting suspected breaches of the Bank's internal policies and laws and regulations. The Bank has retained KPMG Professional Services to provide consulting assistance in the implementation of the policy. The policy provides that suspected wrongdoing by an employee, vendor, supplier or consultant may be reported through the Bank's or KPMG's Ethics lines or emails, details of which are provided below.

Telephone

Internal: +234-1-2712065

External: The whistle-blower is not billed for calls made within the same network. The KPMG Toll Free Lines include:

MTN:
0703-000-0026 &
0703-000-0027

AIRTEL:
0708-060-1222&
0808-822-8888

9MOBILE:
0809-993-6366

GLO:
0705-889-0140

E-Mail

Internal: whistleblower@accessbankplc.com

External: kpmgethicsline@ng.kpmg.com

The Bank's website also provides an avenue for lodging whistle-blower's reports. Individuals interested in whistleblowing may click on the Customer Service link on the Bank's website, scroll down to the whistle-blower column, and then register, anonymously or otherwise, any allegations they want the Bank to investigate.

The Bank's Chief Audit Executive is responsible for monitoring and reporting on whistleblowing. Quarterly reports are rendered to the Board Audit Committee.

In addition to the foregoing, stakeholders may also report unethical practices to the Central Bank of Nigeria via anticorruptionunit@cbn.gov.ng.

Customer Complaints and Resolution

The Bank complied with the provision of CBN Circular FPR/DIR/C IR/GEN/01/020 dated 16 August 2011 on handling consumer complaints. The Bank in line with the rules of the Securities and Exchange Commissions has implemented Investors Enquiries and Complaints Management Policy. The Policy is available in the Investor portal on the Bank's website.

Highlights of the Bank's Clawback Policy

The objective of the Clawback policy is to recover excess and undeserved rewards such as bonuses, incentives, profit sharing and other performance-based compensation from current and former Executives and applicable Senior Management employees.

The policy would be triggered if the Bank's financial performance on which the reward was based is discovered to be materially false, misstated, erroneous or in instances of misdemeanour, fraud, material violation of the Bank's policy or regulatory infractions.

The Executives, Chief Financial Officer and applicable senior management employee must have served the Bank during the **'look back period'** and incentives paid to them must have been tied to a financial parameter. The policy applies to any incentive-based compensation paid during any of the three fiscal completed years immediately preceding the date the Bank is required to restate its financial results (look back period), meaning the earlier of:

i. The date that the Audit Committee concludes that the Bank's previously issued financial statement contains a material error or

ii. The date on which a court, regulator or other similarly authorized body causes the Bank to restate its financial information to correct a material error.

Highlights of Sustainability Policies

The Bank's sustainability vision and strategy are underpinned by international principles, frameworks and standards that support the design of best-in-class local policies that enable effective mainstreaming of sustainability in the Bank for strategic growth and long-term success. The Bank's policies and frameworks (such as Enterprise Security Risk Management [ESRM], Health, Safety, Security and Environment [HSSE], Human Rights, and employee volunteering policies), continue to facilitate the achievement of its vision. These enable the Bank, its people and processes to address key issues such as supply chain management, human rights, environmental management, ethics, compliance and corruption, data security and privacy, diversity and equality, amongst others. The strict adherence to these policies is one of the ways to ensure Access Bank remains a responsible corporate citizen.

Access Bank Plc respects the rights of all people, men, women, old, young, people living with HIV/AIDS (PLWHA). Access Bank was the first Nigerian bank to have a fully operational workplace policy on HIV/AIDS. We pioneered the HIV/ AIDS Workplace Policy Programme across all our subsidiaries.

The Bank has demonstrated an unwavering commitment to sustainability, evident in its leadership role in developing the Nigerian Sustainable Banking Principles (NSBPs) in 2012 – a set of nine principles by which all banks in Nigeria are encouraged to live the sustainability ethos.

The Bank has deployed several environmental protection initiatives including recycling, conservation of energy and water.

Statement of Compliance

We hereby confirm to the best of our knowledge the Bank has complied with the following Codes of Corporate Governance and Listing Standards

1. The Code of Corporate Governance for Public Companies in Nigeria as Issued by the Securities and Exchange Commission
2. The Code of Corporate Governance for Bank and Discount Houses in Nigeria and the Guidelines for Whistle Blowing in the Nigerian Banking Industry
3. The Financial Reporting Council's Nigerian Code of Corporate Governance
4. The Nigerian Stock Exchange Rules for Listing on the Premium Board
5. The Post-Listing Rules of the Nigerian Stock Exchange

Save that in the event of any conflict regarding the provisions of the respective Codes and Rules the Bank will defer to the provisions of the CBN Code as its primary regulator.

Ajoritsedere Awosika
Chairman

Sunday Ekwochi
Company Secretary

Statement of Directors' Responsibilities in relation to the Consolidated and separate Financial Statements for the period ended 30 June 2021

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the bank and Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the bank and Group;

- **I.** Keep proper accounting records that disclose, with reasonable accuracy, the financial position of the bank and Group and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;
- **II.** Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- **III.** Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with;

- International Financial Reporting Standards
- Prudential Guidelines for Licensed Banks in Nigeria;
- Relevant circulars issued by the Central Bank of Nigeria;
- The requirements of the Banks and Other Financial Institutions Act
- The requirements of the Companies and Allied Matters Act; and
- The Financial Reporting Council of Nigeria Act

The directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the bank and Group and of the financial performance and cash-flows for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the directors to indicate that the bank and Group will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Herbert Wigwe	Roosevelt Ogbonna
Group Managing Director	Group Deputy Managing Director
FRC/2013/ICAN/00000001998	FRC/2017/ICAN/00000016638

Report of the statutory audit committee

To the members of Access Bank Plc:

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the period ended 30 June 2021 as follows:

We have exercised our statutory functions under section 404(7) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the period ended 30 June 2021 were satisfactory and reinforce the Group's internal control systems.

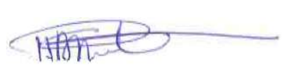
We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of N1,283,509,404 (December 2020: N2,232,941,594) was outstanding as at 30 June 2021 and was performing as at 30 June 2021 (see note 45)

We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in the course of their audit and we are satisfied with management's responses thereon and with the effectiveness of the Bank's system of accounting and internal control.

FRC/2017/ICAN/00000016270
Mr. Henry Omatsola Aragho
Chairman, Audit Committee
27 July 2021

Members of the Audit Committee are:

1	Mr. Henry Omatsola Aragho	Shareholder	Chairman
2	Mr Emmanuel Olutoyin Eleoramo	Shareholder	Member
3	Mr Idaere Gogo Ogan	Shareholder	Member
4	Mr. Adeniyi Adekoya	Director	Member
5	Mr. Iboroma Akpana	Director	Member
6	Dr. Okey Nwuke	Director	Member



In attendance:
Sunday Ekwochi – Company Secretary

Statement of Corporate Responsibity for the Consolidated and separate Financial Statements for the period ended 30 June 2021

In line with the provision of S.405 of CAMA 2020 we have reviewed the audited financial statements of the Group for the period ended 30 June, 2021 and based on our knowledge confirm as follows;

I. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading under the circumstances they were made

II. The financial statements and other financial information, included in the report fairly present in all material respects, the financial condition and result of operations of the Group as of, and for the periods presented in the report.

III. We are responsible for maintaining internal controls

IV We have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the period reports are being prepared

V We have evaluated the effectiveness of the company’s internal controls as of date within 90 days prior to the report

VI We have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date

VII There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Group record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Group Internal Control system.

VIII We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their valuation, including any corrective actions with regard to significant deficiencies and material weaknesses.

There were no fraud events involving Senior Management or other employees who have a significant role in the company's internal control.

28 July, 2021

Oluseyi Kumapayi
Chief Financial Officer
FRC/2013/ICAN/00000000911

Herbert Wigwe
Group Managing Director
FRC/2013/ICAN/00000001998

RISK MANAGEMENT FRAMEWORK

The Nigerian economy continued to take steps away from the COVID-induced economic figures, signaling a more sustainable growth recovery. Nigeria real GDP growth rate soared in Q2 2021, growing by 4.50% and 11.11% to reach 5.01% compared to the preceding quarter and the corresponding quarter of 2020, respectively. The growth performance marked the 3rd consecutive quarterly growth since the economy entered recession in Q3 2020 and the strongest growth performance since Q4 2014. The gradual return of economic activities as well as domestic and international travel, accounted for the significant increase in growth performance. The non-oil sector which remained the chief contributor to the economy grew at 6.74% in Q2 2021 compared to 0.79% and -6.05% recorded in Q1 2021 and Q2 2020, respectively. Trade, Telecommunication, Transportation, Electricity, Agriculture, and Food, Beverage & Tobacco sector were the main driver of growth for the non-oil segment. On the other hand, the oil sector shrank by -12.65% in Q2 2021 compared to -2.21% and -6.63% posted in Q1 2021 and Q2 2020, respectively. The International Monetary Fund (IMF) projects Nigeria growth to settle at 2.5% for FY 2021, up from -1.92% posted in FY 2020.

Oil price maintained a gradual upward trajectory, as demand slowly rose, and OPEC and its alliance ensured that members adhered to advised production quota. Bonny light crude oil sold for $78.01/b as at June 30th 2021 compared to $50.94/b posted at the end of 2020. Oil demand was slightly depressed in H1 2021 as India, one of the world's largest importers of oil, and other key economies battled the Delta variant of COVID-19.

Accretion of the external reserves slowed in 2021 closing at $33.52 billion in HY 2021 compared to $35.37 billion at the end of 2021. Given the anticipated IMF Standing Drawing Rights inflow, Eurobond Issuance, Naira 4 Dollar scheme to boost diaspora remittance amongst others, the external reserves could potentially close higher at end-2021 compared to 2020. Likely headwinds to this expectation include pent up demand pressure by foreign portfolio investors and third-party payments.

Inflation rate rose by 2 percentage points to settle at 17.75% in June 2021 from 15.75% at FY-2020. Food inflation rate ascended by 21.83% in June 2021 from 19.56% at end 2020 while core inflation rate rose to 13.09% from 11.37% for the reference period, respectively. The rise in inflation rate could be partly attributed to food supply pressures, insecurity and the pass-through effect of the currency depreciation. The inflation rate stayed higher than the CBN's target range of between 6% - 9%.

The Monetary Policy Committee (MPC) left the Monetary Policy Rate (MPR) at 11.5% and other parameters constant after its fourth meeting for 2021 which was held in July. Amidst inflationary pressures and the desire to boost growth, the committee opted for a hold stance, rather than expansionary or contractionary, to allow previous policy measures to pervade the economy. The 1-year treasury bills yield soared in HY 2021 closing at 9.8% from 0.8% recorded at the end of 2020. Total public debt reached N33.11 trillion in Q1 2021 higher than N32.9 trillion posted at the end of 2020. Total public debt to GDP was 34.4% in 2020 from 29.1% in 2019. A disaggregation of the total public debt indicated that N12.5 trillion (37.8%) was external while N20.6 trillion (62.2%) was domestic.

With the measured progress from the macroeconomic front, the risk division continued to take actions and initiatives to ensure robust and resilient risk outcomes:

- Expanded the operationalization of our macroeconomic model to ensure it is not only able to simulate plausible future trajectory of economic variables but also to trace the transmission linkages from macro events to the Bank.

- Creation of an SBU-based risk reporting template to track all risk issues from an SBU perspective to ensure proactive risk monitoring and remediation.

- Optimization of the integrated reporting, monitoring and alerting system on PowerBi.

- Development of automated alerts on limit management; and automated alerts to customers for maturing obligations

The pandemic is still with us and we continued to take actions to keeping the workforce, customers and vendors safe whilst providing key services. Some of these actions included; continuous health and safety awareness for staff and customers and enforced compliance with COVID-19 safety protocol in all our locations.

ENTERPRISE-WIDE RISK MANAGEMENT

WE REMAIN COMMITTED TO SUSTAINABLE ENTERPRISE-WIDE RISK MANAGEMENT PRACTICES TO DRIVE INSTITUTIONAL GOWTH

With our promise of being more than just a bank, our Enterprise-wide Risk Management (ERM) Policy is hinged on the establishment of a group-wide risk oversight, monitoring and reporting that fosters risk integration. This ensures that the Bank strives for sustainable financial success while strengthening its relationship with a diverse group of stakeholders.

Helping our stakeholders achieve their ambitions lies at the heart of our processes. We apply a bespoke risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way.

Risk strategies and policies are set by the Board of Directors of Access Bank. These policies, which define acceptable levels of risk for day-to-day operations as well as the willingness of Access Bank to assume risk, weighed against the expected rewards, are detailed in the Enterprise-Wide Risk Management (ERM) Policy. The ERM is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost-effective manner. Specific policies are also in place for managing risks in the different core risk areas of credit, compliance, market, operational, liquidity, strategic, reputational risks, Information and Cyber Security amongst others.

The Bank's overall risk tolerance is established in the context of our earning power, capital and diversified business model. The organisational structure and business strategy, on the other hand, are aligned with our risk management philosophy.

The Bank uses regular review of risk exposure limits and risk control and self-assessment to position itself against adverse scenarios. This is an invaluable tool with which the Bank predicted and successfully managed both the local and global recessions which continued to impact the macroeconomy. Market volatilities and economic uncertainties are typically contained because the Group regularly subjects its exposures to a range of stress tests across a wide variety of products, currencies, portfolios and customer segments.

The Risk Management Division headed by the Chief Risk Officer is part of the second line of defence and supports the Bank's risk policy by constantly monitoring risk, to identify and quantify significant risk exposures and acting upon such exposures as necessary.

Access Bank approaches risk, capital and value management robustly and we believe that our initiatives and practices to-date have positioned the Group at the leading edge of risk management.

RISK MANAGEMENT PHILOSOPHY, CULTURE, APPETITE AND OBJECTIVES

Our Risk Culture Statement:

At Access Bank, we embrace a moderate risk appetite, whilst delivering strategic objectives. We anticipate the risks in our activities and reward behaviour that aligns with our core values, controls and regulations. Challenges are discussed in an open environment of partnership and shared responsibility.

Access Bank's Risk Management philosophy and culture remain fundamental to the delivery of our strategic objectives and are at the core of the group's operating structure. We seek to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

The Bank's risk management process has continued to achieve desired results as evidenced by improved risk ratios and independent risk ratings. In line with the bank's core value of excellence, its Risk Management group is continuously evolving and improving, given the context that all market developments, those of extreme nature, need to be anticipated always. Hence, the moderate risk appetite as our guide. Executive Management has remained closely involved with important risk management initiatives, which have focused particularly on preserving appropriate levels of asset quality, liquidity and capital as well as managing the risk portfolios.

Risk management is fundamental to the Group's decision-making and management process. It is embedded in the role of all employees via the organisational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Access Bank considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterise how it considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Bank's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

The Bank believes that enterprise risk management provides superior capabilities to identify and assess the full spectrum of risks and enables staff at all levels to better understand and manage risks. This ensures that:

- Risk acceptance is done in a responsible manner;
- The Executives and the Board of the Bank have adequate risk management support;
- Uncertain outcomes are better anticipated;
- Accountability is strengthened; and
- Stewardship is enhanced.

The Bank identifies the following attributes as guiding principles for its risk culture.

a) Management and staff:
    - Consider all forms of risk in decision-making;
    - Create and evaluate business-unit and Bank-wide risk profiles to consider what is best for their individual business units/department and what is best for the bank as a whole;
    - Adopt a portfolio view of risk in addition to understanding individual risk elements;
    - Retain ownership and accountability for risk and risk management at the business unit or other points of influence level;
    - Accept that enterprise-wide risk management is mandatory and not optional;
    - Document and report all significant risks and enterprise-wide risk management deficiencies;
    - Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions;
    - Empower risk officers to perform their duties professionally and independently without undue interference;
    - Ensure a clearly defined risk management governance structure;
    - Strive to maintain a conservative balance between risk and profit considerations; and
    - Continue to demonstrate appropriate standards of behaviour in the development of strategy and pursuit of objectives.

b) Risk officers partner with other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.
c) The Bank partners with its customers to improve their attitude to risk management and encourage them to build corporate governance culture into their business management
d) Risk management is governed by well-defined policies, which are clearly communicated across the Bank.
e) Equal attention is paid to both quantifiable and non-quantifiable risks.
f) The Bank avoids products and businesses it does not understand.

GROUP RISK OVERSIGHT APPROACH

Managing risk is a fundamental part of banking. Access Bank manages risk as part of a long-term strategy of resilience. Risk management is embedded in all levels of Access Bank's organisation and is part of the daily business activities and strategic planning to have a sustainable competitive advantage.

To achieve its risk management objectives, the bank relies on a risk management framework that comprises risk policies and procedures formulated for the assessment, measurement, monitoring and reporting of risks including limits set to manage the exposure to quantifiable risks. The Bank recognises that effective risk management is based on a sound risk culture, which is characterised, amongst others, by a high level of awareness concerning risk and risk management in the organisation.

Our risk governance framework, of which risk appetite framework is a significant element, ensures the appropriate oversight of and accountability for the effective management of risk. Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

We actively promote a strong risk culture where employees are encouraged to take accountability for identifying and escalating risks.

Expectations on risk culture are regularly communicated by senior management, reinforced through policies and training, and considered in the performance assessment and compensation processes.

The Chief Risk Officer coordinates the process of monitoring and reporting risks across the Bank and subsidiaries.

Internal Audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Audit also tests the adequacy of internal control and makes appropriate recommendations where necessary.

STRATEGY AND BUSINESS PLANNING

Our risk management function is aligned with our strategy of building a sustainable gateway to the world. Consistent with the objective of delivering long-term sustainable value for our stakeholders, we continue to pursue a prudent risk policy, bringing balance and focus to our activities.

Underpinning that ambition is the delivery of excellent customer service through our business segments. Our business model and strategy are built on capturing the opportunities inherent in our business by developing deep relationships with clients in the markets and communities we serve. Each business function proactively identifies and assesses its risks and takes ownership of the controls put in place to manage those risks.

The Bank has multiple initiatives underway to improve infrastructure for risk management, data quality, stress testing and reporting.

Our integrated Governance, Risk and Compliance (GRC) system encapsulates the operationalization of our ERM Framework, aids the risk management oversight of the Bank's businesses across functions and the markets in which we operate. The integration of key activities and synchronization of information enhances our decision-making process across these functions. This in turn improves our business agility and competitive advantage which allows us to offer differentiated products to our customers across all touchpoints.

We continue to focus on early identification of emerging risks so that we can manage any areas of weakness on a proactive basis.

RISK APPETITE

Taking all relevant risks and stakeholders into consideration, Access Bank's risk appetite, which is owned by the Board of Directors, expresses the aggregate level of risk that we are willing to assume in the context of achieving our strategic objectives.
Risk appetite is derived using both quantitative and qualitative criteria. Risk appetite in relation to the major risks to which the Bank is exposed is regulated by limits and thresholds. These metrics aid in reaching our financial targets and guiding the Bank's profitability profile.

In accordance with the bank's risk appetite, we are strongly committed to maintaining a moderate risk profile, which has been defined and cascaded in a measurable manner. The risk profile is managed based on an integrated risk management framework. In this framework, all types of risks are identified to provide one integrated view on the risk profile for the Bank as a whole.

RISK MANAGEMENT OBJECTIVES

The broad risk management objectives of the Bank are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimal disruption and cost;
- To protect against unforeseen losses and ensure stability of earnings;
- To maximize earnings potential and opportunities;
- To maximize share price and stakeholder protection;
- To enhance credit ratings, as well as depositor, analyst, investor and regulator perception; and
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions.

SCOPE OF RISKS

Within its risk management framework, Access Bank identifies the following key risk categories among others;

- Credit risk
- Operational risk
- Market and liquidity risk
- Capital Risk Management
- Legal and compliance risk
- Information and Cyber Security risk
- Environmental and Social risk
- Reputational risk
- Strategic risk

These risks and the respective framework for their management are detailed in the enterprise-wide risk management framework.

THE BOARD AND MANAGEMENT COMMITTEES

The Board has ultimate responsibility for the Bank's risk organisation and for ensuring satisfactory internal control. It carries out its oversight function through its standing committees. Each has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board.

In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board has seven standing committees: The Board Risk Management Committee, the Board Audit Committee, the Board Remuneration Committee, the Board Governance and Nomination Committee, the Board Credit and Finance Committee, the Board Digital and IT Committee and the Board Technical Committee on Retail Expansion

The management committees which exist in the Bank include: The Executive Committee (EXCO), Enterprise Risk Management Committee (ERMC), Management Credit Committee (MCC), Group Asset & Liability Committee (Group ALCO), Digital Steering Committee (DSC), Information Security Council (ISC) and Operational Risk Management Committee (ORMC).

Without prejudice to the roles of these committees, the full Board retains ultimate responsibility for risk management.

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Independent auditor's report

To the Members of Access Bank Plc

Report on the audit of the interim consolidated and separate financial statements

Our opinion

In our opinion, the interim consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Access Bank Plc ("the bank") and its subsidiaries (together "the group") as at 30 June 2021, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the six month period then ended in accordance with IAS 34 'Interim Financial Reporting' and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Access Bank Plc's interim consolidated and separate financial statements comprise:

- the consolidated and separate statements of comprehensive income for the six month period ended 30 June 2021;
- the consolidated and separate statements of financial position as at 30 June 2021;
- the consolidated and separate statements of changes in equity for the six month period then ended;
- the consolidated and separate statements of cash flows for the six month period then ended; and
- the notes to the interim consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the interim consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the interim consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill (refer to notes 3.13a, 3.14, 4ii and 29) The carrying value of goodwill as at 30 June 2021 is N11.78 billion and is attributable to the group's acquisitions in Nigeria (N4.55 billion), Kenya (N6.55 billion) and Rwanda (N0.68 billion). We identified the impairment assessment of goodwill arising from the acquisition in Nigeria as a key audit matter due to the materiality, significant judgement and assumptions about the future performance of the cash generating unit (CGU) to which the goodwill has been allocated. The acquisition in Kenya occurred during the year and provisional numbers have been recorded in the consolidated and separate financial statements. Hence, no impairment assessment was performed on the goodwill arising from this acquisition. The directors have made a number of key assumptions and assertions to support their assessment of the carrying value of goodwill attributable to this CGU. These include the growth rates and the discount rate applied to forecast performance based on the directors' views of future business prospects. This is considered a key audit matter in the consolidated and separate financial statements.	Our procedures in relation to the assessment of the carrying value of goodwill included: • assessing the reasonableness of the valuation methodology adopted by the directors; • challenging the reasonableness of key assumptions around growth rate and discount rate based on our knowledge of the business and industry; and • reconciling input data used in the cash flow forecasts to supporting evidence, such as prior and current year audited consolidated and separate financial statements. With the assistance of our internal valuation experts, we: • independently determined the recoverable amount of goodwill and compared to the carrying amount in the consolidated and separate financial statements; and • performed a sensitivity analysis to evaluate the potential impact of reasonably possible downside changes in these key assumptions. We checked the disclosures in the consolidated and separate financial statements to the requirements of the accounting standard.
Impairment on loans and advances to customers – N122.3 billion (refer to notes 3.9, 4.0 and 23) We focused on this area because the directors exercise significant judgement, using subjective assumptions when determining both the timing and the amounts to recognise as impairment. The IFRS 9 'Financial Instruments' impairment methodology requires significant judgement in measuring expected credit loss (ECL). Areas where significant judgement was exercised includes:	We adopted a substantive approach in assessing the allowance for impairment made by the directors. We performed the following procedures: • checked that the Group applied a default definition that is consistent with IFRS 9 qualitative default criteria and days past due backstop indicator;

- the definition of default adopted by the bank;
- determining the criteria for assessing significant increase in credit risk (SICR);
- determination of the key inputs used in determining the lifetime exposure at default (EAD);
- methodologies adopted by the bank in modelling the probability of default (PD) used in the ECL model;
- estimation of Loss Given Default (LGD) by considering collateral values and assumptions inherent in the model; and
- incorporating forward looking information and the determination of multiple economic scenarios used in the ECL model.

This is considered a key audit matter in the consolidated and separate financial statements.

- evaluated the reasonableness of the Group's determination of significant increase in credit risk;
- applied a risk-based target testing approach in selecting a sample of credit facilities for detailed review of related customer files and account statements.
- checked the collateral values on a sample basis and against valuation reports.

With the assistance of our credit experts, we:

- tested the appropriateness of the exposure at default by checking whether relevant facility specific information have been incorporated in determining the EAD term structure;
- checked the reasonableness of the methodology used in modelling PD to assess for consistency with acceptable modelling techniques;
- evaluated the reasonableness of the Loss Given Default (LGD) by reviewing the methodology as well as assumptions inherent in the model; and
- checked the validity of forward-looking information (FLI) and multiple economic scenarios considered by independently confirming the (FLI) to source and performing independent re-computation.

We evaluated the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Directors' report, Customer complaints and Feedback, Corporate Governance report, Statement of Directors' responsibilities, Report of the Statutory Audit Committee, Statement of Corporate Responsibility, Risk management framework, Other national disclosures, Assessment of covid 19 impact on going concern, Value added statement and Five-year financial summary but does not include the interim consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the interim consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the interim consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the interim consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the interim consolidated and separate financial statements

The directors are responsible for the preparation of the interim consolidated and separate financial statements that give a true and fair view in accordance with IAS 34 'Interim Financial Reporting' and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institutions Act, and for such internal control as the directors determine is necessary to enable the preparation of interim consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the interim consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the interim consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated and separate financial statements, including the disclosures, and whether the interim consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the interim consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the interim consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the bank's statement of financial position and statement of comprehensive income for the six month period ended are in agreement with the books of account and returns;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 45 to the interim consolidated and separate financial statements; and

v) as disclosed in Note 41 to the interim consolidated and separate financial statements, the bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the six month period ended 30 June 2021.

Chidi Ojechi

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
1100233

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

31 August 2021

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

Consolidated and separate statement of comprehensive income

In thousands of Naira	*Notes*	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Interest income calculated using effective interest rate	8	279,642,750	211,990,533	221,795,174	172,427,703
Interest income on financial assets at FVTPL	8	40,091,259	34,731,987	32,011,190	32,898,173
Interest expense	8	(119,666,182)	(120,515,106)	(100,883,440)	(108,233,080)
Net interest income		200,067,827	126,207,414	152,922,924	97,092,796
Net impairment charge	9	(28,669,006)	(16,465,691)	(22,856,006)	(14,768,613)
Net interest income after impairment charges		171,398,821	109,741,723	130,066,918	82,324,183
Fee and commission income	10 (a)	73,714,813	51,774,914	58,780,733	42,696,056
Fee and commission expense	10 (b)	(14,987,677)	(11,182,650)	(14,268,334)	(10,848,171)
Net fee and commission income		58,727,136	40,592,264	44,512,399	31,847,885
Net (loss)/gains on financial instruments at fair value	11a,b	(23,254,811)	134,840,621	(28,204,292)	131,363,623
Net foreign exchange gain/(loss)	12 a	68,195,022	(66,222,898)	64,566,213	(69,487,434)
Net loss on fair value hedge (Hedging ineffectiveness)	12 b	(4,221,443)	-	(4,221,443)	-
Other operating income	13	13,804,602	29,642,085	9,011,549	28,683,757
Bargain purchase from Acquisition	44	2,640,414	-	-	-
Personnel expenses	14	(43,604,490)	(36,251,381)	(27,464,537)	(27,831,950)
Depreciation	28	(14,062,194)	(12,531,309)	(11,137,033)	(10,250,214)
Amortization and impairment	29	(6,021,877)	(4,829,364)	(5,053,984)	(4,568,387)
Other operating expenses	15	(126,113,891)	(120,675,517)	(112,727,852)	(113,011,726)
Share of profit of investment in Associate	27 (a)	8,303	-	-	-
Profit before tax		97,495,592	74,306,224	59,347,938	49,069,737
Income tax	16	(10,560,073)	(13,271,428)	(1,206,087)	(6,493,869)
Profit for the period		**86,935,519**	**61,034,796**	**58,141,851**	**42,575,868**
Other comprehensive income (OCI) net of income tax :					
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		15,753,265	12,551,892	-	-
Changes in fair value of FVOCI financial instruments		(59,085,298)	5,026,676	(67,337,955)	6,019,414
Changes in allowance on FVOCI financial instruments		54,325	235,611	(73,811)	220,520
Other comprehensive (loss)/gain, net of related tax effects		(43,277,708)	17,814,179	(67,411,766)	6,239,934
Total comprehensive income/(loss) for the period		**43,657,811**	**78,848,975**	**(9,269,915)**	**48,815,802**
Profit attributable to:					
Owners of the bank		86,100,281	60,358,949	58,141,851	42,575,868
Non-controlling interest	38	835,238	675,847	-	-
Profit for the period		**86,935,519**	**61,034,796**	**58,141,851**	**42,575,868**
Total comprehensive income attributable to:					
Owners of the bank		39,989,432	80,339,430	(9,269,915)	48,815,802
Non-controlling interest	38	3,668,379	(1,490,455)	-	-
Total comprehensive income/(loss) for the period		**43,657,811**	**78,848,975**	**(9,269,915)**	**48,815,802**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	248	173	164	120
Diluted (kobo)	17	242	170	164	120

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

Consolidated and separate statement of financial position
As at 30 June 2021

In thousands of Naira	*Notes*	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Assets					
Cash and balances with banks	18	1,364,570,882	723,872,820	997,884,070	589,812,440
Investment under management	19	31,611,718	30,451,466	31,611,718	30,451,466
Non pledged trading assets	20	137,974,558	207,951,943	45,273,803	110,283,112
Derivative financial assets	21	187,122,508	251,112,745	182,269,354	244,564,046
Loans and advances to banks	22	408,021,137	392,821,307	206,089,405	231,788,276
Loans and advances to customers	23	3,582,947,324	3,218,107,027	3,113,306,375	2,818,875,731
Pledged assets	24	256,796,084	228,545,535	256,796,084	228,545,535
Investment securities	25	2,039,757,026	1,749,549,145	1,578,142,912	1,428,039,657
Investment properties	31a	217,000	217,000	217,000	217,000
Restricted deposit and other assets	26	1,692,368,174	1,548,891,262	1,605,132,990	1,490,633,059
Investment in associates	27a	2,496,604	-	2,488,301	-
Investment in subsidiaries	27b	-	-	176,463,861	164,251,532
Property and equipment	28	242,196,605	226,478,704	194,896,727	191,893,318
Intangible assets	29	68,381,568	69,189,846	63,155,380	67,496,079
Deferred tax assets	30	5,338,759	4,240,447	-	-
		10,019,799,947	8,651,429,247	8,453,727,980	7,596,851,251
Asset classified as held for sale	31b	35,050,303	28,318,467	34,860,303	28,128,467
Total assets		**10,054,850,250**	**8,679,747,714**	**8,488,588,283**	**7,624,979,718**
Liabilities					
Deposits from financial institutions	32	1,758,573,492	958,397,171	1,579,353,651	831,632,332
Deposits from customers	33	5,974,755,925	5,587,418,213	4,872,251,742	4,832,744,495
Derivative financial liabilities	21	10,099,966	20,880,529	9,765,338	20,775,722
Current tax liabilities	16	2,564,906	2,159,921	3,647,727	2,546,893
Other liabilities	34	492,536,093	379,416,786	428,557,911	342,460,268
Deferred tax liabilities	30	15,501,952	14,877,285	11,001,992	11,925,861
Debt securities issued	35	177,860,278	169,160,059	172,555,098	169,160,059
Interest-bearing borrowings	36	842,541,570	791,455,237	780,828,678	755,254,273
Retirement benefit obligation	37	4,983,041	4,941,268	4,960,970	4,584,149
Total liabilities		**9,279,417,223**	**7,928,706,469**	**7,862,923,107**	**6,971,084,052**
Equity					
Share capital and share premium	38	251,811,463	251,811,463	251,811,463	251,811,463
Retained earnings		331,044,522	252,396,881	257,975,909	206,896,038
Other components of equity	38	181,569,937	239,494,175	115,877,804	195,188,165
		764,425,922	**743,702,519**	**625,665,176**	**653,895,666**
Total equity attributable to owners of the Bank					
Non controlling interest	38	11,007,105	7,338,726	-	-
Total equity		**775,433,027**	**751,041,245**	**625,665,176**	**653,895,666**
Total liabilities and equity		**10,054,850,250**	**8,679,747,714**	**8,488,588,283**	**7,624,979,718**

Signed on behalf of the Board of Directors on 28 July, 2021 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, 2021	**17,772,613**	**234,038,850**	**46,425,978**	**115,575,107**	**876,762**	**(5,111,646)**	**3,489,080**	**60,106,564**	**18,132,330**	**252,396,881**	**743,702,519**	**7,338,726**	**751,041,245**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	86,100,281	86,100,281	835,238	86,935,520
Other comprehensive income/(loss), net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	16,307,038	-	16,307,038	(553,773)	15,753,265
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(62,472,211)	-	-	(62,472,211)	3,386,914	(59,085,298)
Changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	54,325	-	-	54,325	-	54,325
Total other comprehensive (loss)/ income	**-**	**-**	**-**	**-**		**-**	**-**	**(62,417,886)**	**16,307,038**	**-**	**(46,110,848)**	**2,833,141**	**(43,277,709)**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(62,417,886)**	**16,307,038**	**86,100,281**	**39,989,434**	**3,668,379**	**43,657,812**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	(25,814,415)	13,717,181	-	-	-	-	-	12,097,234	-		-
Additional shares	-	-	-	-	904,174	-	-	-	-	-	904,174	-	904,174
Scheme shares	-	-	-	-	715,390	(1,209,626)	-	-	-	-	(494,236)	-	(494,236)
Vested shares	-	-	-	-	(126,095)	-	-	-	-	-	(126,095)	-	(126,095)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(19,549,874)	(19,549,874)	-	(19,549,874)
Total contributions by and distributions to equity holders	**-**	**-**	**(25,814,415)**	**13,717,181**	**1,493,467**	**(1,209,627)**	**-**	**-**	**-**	**(7,452,640)**	**(19,266,031)**	**-**	**(19,266,031)**
Balance at 30 June 2021	**17,772,613**	**234,038,850**	**20,611,563**	**129,292,288**	**2,370,229**	**(6,321,273)**	**3,489,080**	**(2,311,322)**	**34,439,370**	**331,044,522**	**764,425,921**	**11,007,105**	**775,433,026**

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 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**	**225,118,814**	**601,664,062**	**8,528,834**	**610,192,896**
Restatement of goodwill amortization for 2019										(3,453,063)	(3,453,063)		**(3,453,063)**
Balance at 1 January 2020	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,914)**	**3,489,080**	**964,243**	**11,780,013**	**221,665,751**	598,210,999	**8,528,834**	**606,739,832**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	60,358,953	60,358,953	675,847	61,034,800
Other comprehensive income, net of tax													
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	6,406,405	-	-	6,406,405	(1,379,729)	5,026,676
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	6,642,016	13,338,465	-	19,980,481	(2,166,302)	17,814,179
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,642,016**	**13,338,465**	**60,358,949**	**80,339,431**	**(1,490,455)**	**78,848,976**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,283,282)**	**(1,575,381)**	**22,116,086**	16,257,422	876,709	**17,134,131**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	1,884,501	11,738,768	-	-	-	-	-	(13,623,269)	-	-	-
Additional shares	-	-	-	-	-	(497,753)	-	-	-	-	(497,753)	-	(497,753)
Scheme shares	-	-	-	-	394,284	-	-	-	-	-	394,284	-	394,284
Vested shares	-	-	-	-	(905,428)	-	-	-	-	-	(905,428)	-	(905,428)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(14,218,090)	(14,218,090)	-	(14,218,090)
Total contributions by and distributions to equity holders	**-**	**-**	**1,884,501**	**11,738,768**	**(511,144)**	**(497,753)**	**-**	**-**	**-**	**(27,841,359)**	**(15,226,987)**	**-**	**(15,226,987)**
Balance at 30 June 2020	**17,772,613**	**234,038,850**	**19,976,442**	**105,061,422**	**1,370,624**	**(5,293,667)**	**3,489,080**	**7,606,259**	**25,118,478**	**254,183,343**	**663,323,445**	**7,038,379**	**670,361,820**

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, 2021	**17,772,613**	**234,038,850**	**36,180,585**	**95,067,599**	**876,761**	**3,489,081**	**59,574,139**	**206,896,038**	**653,895,666**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	58,141,852	58,141,852
Other comprehensive income, net of tax									
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(67,337,955)	-	(67,337,955)
Changes in allowance on FVOCI financial instruments				-			(73,811)	-	(73,811)
Total other comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(67,411,766)**	**-**	**(67,411,766)**
Total comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(67,411,766)**	**58,141,853**	**(9,269,914)**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	(21,209,169)	8,721,278	-	-	-	12,487,891	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(19,549,874)	(19,549,874)
Scheme shares	-	-	-	-	589,299	-	-	-	589,299
Total contributions by and distributions to equity holders	**-**	**-**	**(21,209,169)**	**8,721,278**	**589,299**	**-**	**-**	**(7,061,983)**	**(18,960,575)**
Balance at 30 June 2021	**17,772,613**	**234,038,850**	**14,971,416**	**103,788,878**	**1,466,060**	**3,489,081**	**(7,837,627)**	**257,975,907**	**625,665,177**

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, 2020	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**1,881,767**	**3,489,081**	**835,472**	**188,925,555**	**539,488,037**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	42,575,871	42,575,871
Other comprehensive income, net of tax									
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	6,019,414	-	6,019,414
Net changes in allowance on FVOCI financial instruments				-			220,520		220,520
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**6,239,934**	**-**	**6,239,934**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**6,239,934**	**42,575,871**	**48,815,805**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	-	6,386,381	-	-	-	(6,386,381)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(14,218,090)	(14,218,090)
Scheme shares	-	-	-	-	394,284	-	-	-	394,284
Vested shares	-	-	-	-	(905,428)	-	-	-	(905,428)
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**6,386,381**	**(511,144)**	**-**	**-**	**(20,604,471)**	**(14,729,234)**
Balance at 30 June 2020	**17,772,613**	**234,038,850**	**9,483,000**	**89,448,080**	**1,370,623**	**3,489,081**	**7,075,406**	**210,896,955**	**573,574,608**

Consolidated statement of cash flows

In thousands of Naira	Note	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Cash flows from operating activities					
Profit before income tax		97,495,592	74,306,223	59,347,938	49,069,737
Adjustments for:					
Depreciation	28	14,062,194	12,531,309	11,137,033	10,250,214
Amortization and impairment loss	29	6,021,877	4,829,364	5,053,984	4,568,387
loss/(gain) on disposal of property and equipment	13	80,274	(2,449,085)	104,439	(2,445,199)
Loss on lease modification		163,551	799,751	163,551	145,701
Fair value gain on financial assets at FVPL		(13,106,022)	(134,295,516)	(14,297,053)	(130,905,551)
Gain on disposal of investment securities	9	(43,659,521)	(545,105)	(37,519,009)	(458,072)
Impairment on financial assets		28,669,005	16,465,690	22,856,005	14,768,614
Additional gratuity provision		41,772	379,643	376,821	384,828
Restricted share performance plan expense		715,390	394,284	589,296	394,284
Write-off of property and equipment and intangible assets	28	92,760	11,054	88,755	-
share of profit from associate		(8,303)	-	-	-
Gain on bargain purchase from acquisition		(2,640,414)	-	-	-
Net interest income	8	(200,067,826)	(126,207,414)	(152,922,925)	(97,092,797)
Foreign exchange (loss) on revaluation	12	12,092,268	62,136,980	15,721,078	55,639,653
Loss on derognition of ROU assets		356,317	-	-	-
Fair value of derivative financial instruments excluding hedged portion		79,982,433	-	78,147,106	-
Dividend income	13	(2,625,898)	(2,312,433)	(2,625,897)	(2,312,433)
Net loss on fair value hedge (Hedging ineffectiveness)		4,221,623	-	4,221,623	-
		(18,112,928)	(93,955,255)	(9,557,255)	(97,992,634)
Changes in operating assets					
Changes in non-pledged trading assets		61,192,904	(153,354,866)	57,073,431	(129,078,245)
Changes in pledged assets		(202,090,263)	(211,524,742)	(202,103,884)	(211,524,741)
Changes in other restricted deposits with central banks		(76,439,684)	12,675,877	(74,252,737)	12,196,211
Changes in loans and advances to banks and customers		(265,456,392)	(408,834,851)	(271,021,260)	(294,144,750)
Changes in restricted deposits and other assets		(110,175,322)	(326,204,696)	(107,350,566)	(325,742,668)
Changes in operating liabilities					
Changes in deposits from banks		1,082,637,129	127,333,224	1,032,940,633	90,977,290
Changes in deposits from customers		213,407,924	416,964,368	37,728,298	333,648,785
Changes in other liabilities		96,635,189	(10,344,392)	85,626,802	(23,140,934)
		781,598,557	(647,245,333)	549,083,462	(644,801,686)
Interest paid on deposits to banks and customers		(91,327,165)	(99,274,015)	(62,661,221)	(87,669,745)
Interest received on loans and advances to bank and customers		152,831,004	194,576,068	118,289,933	173,285,104
Interest received on non-pledged trading assets		40,736,895	-	31,821,843	-
Payment to gratuity benefit holders		-	34,484,037	-	32,650,224
		883,839,291	(517,459,243)	636,534,017	(526,536,104)
Income tax paid		(9,095,524)	(8,940,978)	(1,029,122)	(833,942)
Net cash generated from/(used in) operating activities		**874,743,767**	**(526,400,220)**	**635,504,895**	**(527,370,047)**
Cash flows from investing activities					
Net proceeds on investment securities		(840,988,735)	(810,228,686)	(703,587,190)	(735,801,091)
Interest received on investment securities		96,465,931	46,661,055	76,847,284	31,706,821
Addiitonal investment to fund managers		(1,063,584)	(2,500,067)	(1,063,585)	(2,500,067)
Dividend received	13	2,625,898	2,312,433	2,625,897	2,312,433
Acquisition of property and equipment	28	(22,128,021)	(14,200,005)	(14,252,870)	(12,194,044)
Proceeds from the sale of property and equipment		1,253,326	10,434,643	652,705	10,028,010
Acquisition of intangible assets		(2,759,649)	(3,680,725)	(713,285)	(3,257,157)
Proceeds from disposal of asset held for sale		35,000	1,500,000	35,000	1,500,000
Proceeds from matured investment securities		351,137,070	718,437,065	312,742,718	632,787,119
Additional investment in associate		(1,971,977)	-	(1,971,977)	-
Additional investment in subsidiaries		-	-	(11,411,683)	(5,457,750)
Net cash acquired on business combination		46,931,134	-	-	-
Net cash used in investing activities		**(370,463,607)**	**(51,264,287)**	**(340,096,986)**	**(80,875,726)**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(27,474,356)	(22,513,012)	(25,905,287)	(22,317,430)
Proceeds from interest bearing borrowings		96,304,441	(8,854,602)	69,128,803	(13,461,752)
Repayment of interest bearing borrowings		(68,669,590)	-	(56,527,354)	-
Proceeds from debt securities issued	35	5,305,180	-	-	-
Purchase of own shares		(800,646)	(497,753)	(800,646)	(1,400,894)
Dividends paid to owners		(19,549,874)	(14,218,090)	(19,549,874)	(14,218,090)
Lease payments		(837,082)	(1,357,099)	(196,942)	(280,814)
Net cash (used in) financing activities		**(15,721,927)**	**(47,440,555)**	**(33,851,300)**	**(51,678,979)**
Net increase/(decrease) in cash and cash equivalents		488,558,233	(625,105,064)	261,556,609	(659,924,751)
Cash and cash equivalents at beginning of period	40	837,846,589	1,226,031,019	704,478,297	1,080,005,272
Net increase/ (decrease) in cash and cash equivalents		488,558,233	(625,105,064)	261,556,605	(659,924,751)
Effect of exchange rate fluctuations on cash held		14,980,233	11,384,986	11,469,675	11,450,905
Cash and cash equivalents at end of period	40	1,341,385,054	612,310,941	977,504,581	431,531,427

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 30 June 2021 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 28 July 2021. 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 are included where appropriate.

3.0 Basis of preparation

This financial statement has been prepared in accordance with the guidelines set by International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRIC) 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

Amended standards adopted by the Group

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2021:

(a) IFRS 16 Leases (amendment): The amendment extends the availability of the practical expedient so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The group elected not to apply this practical expedient.

(b) IAS 1 Presentation of Financial Statements (amendments), IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amendments): In response to the IASB's Disclosure Initiative – Principles of Disclosure, the amendments introduce a requirement on entities to disclose their material accounting policy information rather than significant accounting policies. To support this amendment the IASB also amended its IFRS Materiality Practice Statement to explain and demonstrate the application of the materiality process to accounting policy disclosures. The amendments have been applied prospectively.

(c) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments introduce the definition of accounting estimates and include amendments to assist entities to distinguish changes in accounting estimates from changes in accounting policies. The amendments have been applied prospectively.

These amendments do not lead to a change in any of the Group's accounting policies.

(a) New standards, amendments and interpretations adopted by the Group

A number of new standards became applicable for the current reporting year and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

(a) New standards and amendments – applicable 1 January 2021

The following standards and interpretations apply for the time to financial reporting periods commencing on or after 1 January 2021

Covid-19-related Rent Concessions – Amendments to IFRS 16. Effective date is 1 June 2020/ 1 April 2021

Inerest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Effective date is 1 January 2021

(b) Forthcoming requirements

As at 30 June 2021, the following standards and interpretations has been issued but were not mandatory for annual reporting periods ending on 31 December 2021.

Reference to the Conceptual Framework – Amendments to IFRS 3. Effective date is 1 January 2022

Onerous Contracts – Cost of Fulfiling a Contract Amendments to IAS 37. Effective date is 1 January 2022

Annual Improvements to IFRS Standards 2018 – 2020. Effective date is 1 January 2022

Classification of Liabilities as Current or Non – Current – Amendments to IAS 1. Effective date is 1 January 2023 (deferred from 1 January 2022)

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statements 2. Effective date is 1 January 2023

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. The 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 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 unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(g) Non-controlling interests

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 and the Bank'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 foreign exchange gain or loss 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 and separate income statement using the effective interest method.

The Group calculates interest income by applying the Effective interest rate (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 fair value through profit or loss instruments is recognised using the contractual interest rate on investment securities.

(b) Fees and commission income and expense

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.

Fee and commission presented in the income statement includes:
- Credit related fees: This includes advisory, penal 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. The penal fee on default also forms part of the items warehoused in this line.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.

- 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 period of the card. The Bank charges the customers for this service on a monthly basis.

- Other fees and commission income, includes commission on bills and letters of credit, account handling charge, commissions on other financial services, commission on foreign currency denominated transactions, channel and other e-busiess income, and retail account charges. These fees and commissions are recognised as the related services are performed.

  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.

(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 fair value through profit or loss: 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.

(d) Net Foreign exchange gain and losses

Net foreign exchange gain and losses include foreign exchange gains and losses 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. It is recognized in the current tax liabilities caption in the sattement of financial positions

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty

(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. This is shown in note 16

(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 statement of financial position. 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.

Deferred tax is recognised in profit or loss, 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.

3.8 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.

(a) Financial assets

i *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. 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.

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. Where the fair value is different from the transaction cost, the resulting gain or loss is recognized in trading gains or losses on financial instruments

ii *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 (loss)/gain on financial instruments at fair value 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 financial instruments at fair value 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 financial instruments at fair value in the period in which it arises.

iii *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.

For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. 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 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.

iv 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.

v 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.

(b) 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 include derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains and losses attributable to changes in Group's credit risk and the fair value of the liability are presented in the Statement of comprehensive income.

(c) Classification of financial assets

[i] Fair value through profit or loss

This category comprises financial assets classified as hold to sell 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 assets 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)/gain on financial instruments at fair value". 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.
- The asset or liability does not meet the solely principal and interest on the principal amount outstanding (SPPI) test

[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.

(d) Classification of 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.

(e) Measurement of financial asset and liabilities

[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.

(f) Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the 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.

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.

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.

(g) Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset or liability, 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.

(i) 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.

(ii) 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 such as the beneficiary, tenor, prinicpal amount or the interest rate, 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.

(h) 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.

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 (loss)/gain on financial instruments at fair value.

(i) Measurement of specific financial assets

(i) 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.

(ii) Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle the 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.

(iii) 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.

(iv) 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 are measured at amortized cost.

[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 amortized cost

3.9 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 2	Stage 3
(Initial Recognition)	(Initial Recognition)	(Credit-impaired assets)
12-months expected credit losses	Lifetime 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 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 recognition, based on a probability-weighting of the three scenarios, discounted by the credit adjusted EIR.

• Loan commitments and letters of credit: When estimating Lifetime ECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.
For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within net impairment charge on financial assets

• 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

• Sovereign Debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management considers 'low credit risk' for such instruemnts to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

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,
- Exchange rates (USD/NGN), and
- GDP growth 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 2012 to the second quarter of 2020. 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, 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 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 reasonable expectation of recovery. Either the counterparty can no longer pay the obligation or proceeds from the collateral will not be sufficient to pay back the exposure. As directed by CBN guideline on write-off, board approval is required before any write-off can occur. For insider-related loans, CBN approval is required. 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 to derecognize the asset. The recovery department continues with recovery efforts and any subsequent recoveries are credited to bad debt recovered under other operating income

Expected credit loss on 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.

Expected credit loss on 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 above to assess impairment.

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.

3.10 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 fair 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/loss 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 applicable to property and equipment

3.11 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 operating 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.

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:

Freehold 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.

3.12 Leases

The Bank leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options as described in the "extension and termination options header" below. The lease year ranges from 1 year to 40 years. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Bank has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Assets and liabilities arising from a lease are initially measured on a present value basis. Interest income on finance leases is incldued as part of interest income on loans and advances to customers.

Lease liabilities

At commencement date of a lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the Bank under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expense in the year in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Bank's incremental borrowing rate is used, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The weighted average incremental borrowing rate applied to the lease liabilities as at 30 June 2021 was 15.65%

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual year of a lease.

Right of use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases and leases of low value

The Bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. low value assets). Low-value assets are assets with lease amount of less than $5,000 or its equivalent in Naira when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense in profit or loss on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Bank's operations. The majority of extension and termination options held are exercisable only by the Bank.

Amendments to IFRS 16: COVID-19-related rent concessions

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. The amendment is also available for interim reports. The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to

1) provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;

2) require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;

3) require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

The main change from the proposal in the exposure draft is that the IASB had proposed that the practical expedient should only be available for lease payments originally due in 2020. However, after having considered the feedback to the exposure draft, the IASB decided to extend this period to June 2021 to also capture rent concessions granted now and lasting for 12 months.

However, the Group did not receive rent concessions in the 2021 financial year

- **Critical judgements**

Extension and termination options - Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Bank is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Bank is typically reasonably certain to extend (or not terminate).
- Otherwise, the Bank considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in recognised lease liabilities and right-of-use assets of N146.89 million.

A group company is the lessor;

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

This is an intangible assets related to acquisitions. At acquisition date, they are initially recorded at their fair value and subsequently at cost less accumulated amortization. Amortization expense is recorded in amortization of intangible assets in the Consolidated Statement of Profit or Loss. Intangible assets are amortized over the period during which the Bank derives economic benefits from the assets, on either a straight-line, over a period of 10 years.

The useful lives of the assets are reviewed annually for any changes in circumstances. The assets are tested annually for impairment or at such time where there is an impairment trigger, or changes in circumstances indicate that their carrying value may not be recoverable.

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in deposits from banks or deposits from customers depending on the counter party. The interest element of the finance cost is charged to the income statement over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

3.13 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 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 four and half years (4.5). Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(c) Brand, Customer Relationships and Core Deposits

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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

3.20 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. There are no restrictions to the distribution of these reserves

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.

(f) 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.

(g) Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of investments measured through other comprehensive income until the investment is derecognised or impaired.

(h) 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.

(i) Retained earnings

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

3.21 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.

3.22 Derivatives and hedging activities

Access Bank Plc applies hedge accounting to manage its foreign exchange risk

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Bank designates certain derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

At inception of the hedge relationship, the Bank documents the economic relationship between hedging instruments and hedged items, including whether changes in the fairvalue of the hedging instruments are expected to offset changes in the fair value of hedged items. The Bank documents its risk management objective and strategy for undertaking its hedge transactions. The Bank uses the actual ratio between the hedged item and hedging instruments to determine its hedge ratio.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in notes to the financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months; it is classified as a current asset or liability when the remaining maturity is less than 12 months. Trading derivatives are classified as a current asset or liability.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.The Bank uses forward contracts to hedge the fair value changes attributable to foreign exchange risk on the hedged item. The Bank generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. The change in the forward element of the forward contract is not part of the hedging relationship and is recognised separately in the statement of profit or loss within Net gain on financial instruments at fair value through profit or loss. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the profit or loss within Net Foreign Exchange Gain/(Loss) together with the changes in the fair value of the hedged liabilities attributable to foreign exchange risk while the gains or losses relating to the ineffective portion are recognised within Net loss on fair value hedge (Hedging ineffectiveness) in the profit or loss.

Hedge effectiveness

The Bank determines hedge effectiveness is at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in Net gain on financial instruments at fair value through profit or loss.

3.23 Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. The group's investment in associates includes goodwill identified on acquisition. In the separate financial statements, investments in associates are carried at cost less impairment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Associates are carried at cost at bank.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss)' of associates in the income statement.

Profits and losses resulting from transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

The cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the cost of any additional consideration transferred as of the date when the investment became an associate. Changes in fair value of previously held interest are recognized in profit or loss.

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) Allowance for credit losses
ii) Assessment of impairment on goodwill on acquired subsidiaries
iii) Defined benefit plan
iv) Valuation of unquoted equities
v) Valuation of derivatives
vi) Depreciation of property and equipment
vii) Amortisation of intangible assets
viii) Impairment of property and equipment
ix) Impairment of intangible assets
x) Litigations claims provisions
xi) Equity settled share-based payment
xii) Determination of intangible assets arising on business combination

Management has assessed the first four estimates as having the key sources of estimation certainty, and are explained in further detail below. The other estimates have been assessed in their individual accounting policies.

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 34.67%, 30.00% and 35.33% 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.

(ia) ***Sensitivity of Exposure at default - Probability of Default (PD) & Loss Given Default (LGD)***

Loans and Advances To Customers
In establishing sensitivity to ECL estimates for corporate loans, four variables (GDP growth rate, Crude Oil Price, inflation and US exchange rate were considered). Of this variables, the bank's corporate loans reflects greater responsiveness to GDP growth rate and crude oil price

On balance Sheet Exposure
GDP growth rate : Given the signficant impact on companies performance and collateral valuations
Oil price : Given it impacts on purchasing power, demand as well as overall health of the economy

The table below outlines the total ECL for wholesale portfolios as at 30 June 2021, if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs. An increase in Oil Price by 10% resulting in GDP increase and decrease in both inflation rate and exchange rate will lead to an improvement in asset quality by 0.08% and a reduction in impairment by 4.01%. While a drop in Oil Price by 10% leads to a drop in GDP and an increase in inflation and Exchange rate, this will result in a deterioration in asset quality by 0.20% and an increase in impairment by 3.71%.

	-10%	+10%
P & L Impact of change in Macroeconomic variables	(2,711,299)	2,930,390

	-10%	+10%
Asset Quality Impact of change in Macroeconomic variables	0.20%	-0.08%

Off balance Sheet Exposure
GDP growth rate : Given the signficant impact on companies performance and collateral valuations
Oil price : Given it impacts on purchasing power, demand as well as overall health of the economy

The table below outlines the total ECL for wholesale off balance sheet exposures as at 30 June 2021, if the assumptions used to measure ECL remain as expected (amount as presented in the statement of financial position), as well as if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs.

	-10%	+10%
P & L Impact of change in Macroeconomic variables	(243,706)	261,130

If the PDs and LGDs were increased by 2%, impairment charge would have further increased by N2.09BN but if the PDs and LGDs were decreased by 2%, there would have been a write back of impairment of N1.99BN.

	Group June 2021	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Impact on Profit before tax				
Increase in LGD and PD by 2%	(2,092,511)	(2,181,426)	(1,919,735)	(1,885,958)
Decrease in LGDs and PD by 2%	1,993,191	1,977,806	1,898,277	1,868,260
Increase in LGDs and PD by 10%	(10,988,648)	(9,979,092)	(9,811,293)	(9,603,982)
Decrease in LGDs and PD by 10%	11,222,487	10,237,216	9,274,783	9,161,408

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 or 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*		**June 2021**	**December 2020**
Bank	Note		
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	22	1,104,980	298,622
- Loans to individuals	23(b)	11,481,795	2,831,594
- Loans to corporate	23(b)	71,481,690	116,210,945
Total impairment allowances on loans per IFRS		**84,068,465**	**119,341,161**
Total regulatory impairment based on prudential guidelines		**99,039,881**	**155,521,745**
Balance, beginning of the period		36,180,585	9,483,000
Additional transfers to/(from) regulatory risk reserve		(21,209,169)	26,697,585
Balance, end of the period		**14,971,416**	**36,180,585**

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.

(ii) Assessment of impairment of goodwill on acquired subsidiaries

Goodwill on acquired subsidiaries were tested for impairment by comparing the value-in-use for the cash generating unit to the carrying amount of the goodwill based on cash flow projections. Projected cash flows for Kenya were discounted to present value using a discount rate of 18.46% and a cash flow terminal growth rate of 5.40% while Projected cash flows for Rwanda was discounted using a discount rate of 22.34% and terminal growth rate of 7.5%. The Group determined the appropriate discount rate at the end of the year using the Capital Asset Pricing Model. See note 29b for further details.

(iii) 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.

(iv) 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 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. Earnings Before Interest ,Tax Depreciation and Tax (EBITDA):

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA is one of the indicator's of a company's financial performance and is used as a proxy for the earning potential of a business.

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

c. Price to Book (P/B Ratio):

The price-to-book ratio (P/B Ratio) is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest company book value per share or by dividing the company's market capitalization by the company's total book value from its balance sheet.

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

Valuation Assumptions :

i. Illiquidity discount of 25% is used to discount the value of the investments that are not tradable
ii. EPS Hair cut "emerging market" discount of 40% to take care of inflation and exchange rate impact being that the comparable companies are in foreign countries

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.

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
June 2021

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	4,884,375	-	-	4,884,375
Placements	-	-	7,415,012	7,415,012
Commercial paper	-	6,258,213	-	6,258,213
Treasury bills	4,987,447	-	-	4,987,447
Mutual funds	-	5,221,004	-	5,221,004
Eurobonds	-	2,845,667	-	2,845,667
Non pledged trading assets				
Treasury bills	61,602,125	-	-	61,602,125
Government Bonds	76,342,322	-	-	76,342,322
Eurobonds	-	30,111	-	30,111
Equity	-	-	-	-
Derivative financial instrument	-	187,122,508	-	187,122,508
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	11,714,103	-	-	11,714,103
Government Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	-	-	-	-
Government Bonds	422,169	-	-	422,169
Investment securities				
-Financial assets at FVOCI				
Treasury bills	288,062,819	-	-	288,062,819
Government Bonds	171,067,494	-	-	171,067,494
State government bonds	-	29,103,018	-	29,103,018
Corporate bonds	-	-	-	-
Eurobonds	-	21,132,819	-	21,132,819
Promissory notes	-	7,509,390	-	7,509,390
-Financial assets at FVPL				-
Equity	534,682	3,656,260	137,574,634	141,765,576
Assets held for sale	-	-	35,050,303	35,050,303
	619,617,538	262,878,990	180,039,949	1,062,536,475
Liabilities				
Derivative financial instrument	-	10,099,966	-	10,099,966
	-	10,099,966	-	10,099,966

* There are no transfers between levels during the period

Group
December 2020

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Nigerian Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,783,687	-	2,783,687
Non pledged trading assets				
Treasury bills	116,036,126	-	-	116,036,126
Government Bonds	91,841,202	-	-	91,841,202
Eurobonds	-	74,615	-	74,615
Equity	-	-	-	-
Derivative financial instrument	-	251,112,745	-	251,112,745
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,603	-	-	85,006,603
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	748,230,225	-	-	748,230,225
Government Bonds	150,094,494	-	-	150,094,494
State government bonds	-	31,741,795	-	31,741,795
Corporate bonds	-	15,745,714	-	15,745,714
Eurobonds	-	22,032,870	-	22,032,870
Promissory notes	-	80,033,790	-	80,033,790
-Financial assets at FVPL				
Equity	534,682	3,656,260	137,574,634	141,765,576
Assets held for sale	-	-	28,318,467	28,318,467
	1,205,399,370	418,423,354	172,279,565	1,796,102,289
Liabilities				
Derivative financial instrument	-	20,880,529	-	20,880,529
	-	20,880,529	-	20,880,529

Bank
June 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	4,884,375	-	-	4,884,375
Placements	-	-	7,415,012	7,415,012
Commercial paper	-	6,258,213	-	6,258,213
Nigerian Treasury bills	4,987,447	-	-	4,987,447
Mutual funds	-	5,221,004	-	5,221,004
Eurobonds	-	2,845,667	-	2,845,667
Non pledged trading assets				
Treasury bills	42,527,338	-	-	42,527,338
Government Bonds	2,716,354	-	-	2,716,354
Eurobonds	-	30,111		30,111
Equity	-	-	-	-
Derivative financial instrument	-	182,269,354	-	182,269,354
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	11,714,103	-	-	11,714,103
Government Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	-	-	-	-
Government Bonds	422,169	-	-	422,169
Investment securities				
-Financial assets at FVOCI				
Treasury bills	133,494,452	-	-	133,494,452
Government Bonds	-	-	-	-
State government bonds	-	29,103,018	-	29,103,017
Corporate bonds	-	-	-	-
Eurobonds	-	14,884,161	-	14,884,161
Promissory notes	-	7,509,391	-	7,509,391
-Financial assets at FVPL				
Equity	534,682	3,656,260	137,544,111	141,735,053
Asset held for sale	-	-	34,860,303	34,860,303
	201,280,920	251,777,179	179,819,426	632,877,525
Liabilities				
Derivative financial instrument	-	9,765,338	-	9,765,338
	-	9,765,338	-	9,765,338

* There are no transfers between levels during the period

Bank
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Nigerian Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,783,687	-	2,783,687
Non pledged trading assets				
Treasury bills	97,719,848	-	-	97,719,848
Government Bonds	12,488,649	-	-	12,488,649
Eurobonds	-	74,615		74,615
Equity	-	-	-	-
Derivative financial instrument	-	244,564,046	-	244,564,046
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,603	-	-	85,006,603
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	608,866,687	-	-	608,866,687
Government Bonds	44,296,019	-	-	44,296,019
State government bonds	-	31,741,795	-	31,741,795
Corporate bonds	-	15,745,714	-	15,745,714
Eurobonds	-	15,141,127	-	15,141,127
Promissory notes	-	80,033,790	-	80,033,790
-Financial assets at FVPL				
Equity	534,682	3,656,260	137,544,111	141,735,053
Asset held for sale	-	-	28,128,467	28,128,467
	862,568,526	404,982,912	172,059,042	1,439,610,480
Liabilities				
Derivative financial instrument	-	20,775,722	-	20,775,722
	-	20,775,722	-	20,775,722

4.1.2 Financial instruments not measured at fair value

Group
June 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,364,570,882	1,364,570,882
Loans and advances to banks	-	-	408,021,137	408,021,137
Loans and advances to customers	-	-	3,582,947,324	3,582,947,324
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	163,046,971	-	-	163,046,971
Bonds	37,787,758	-	-	37,787,758
Investment securities				
-Financial assets at amortised cost				
Treasury bills	981,106,252	-	-	981,106,252
Bonds	351,436,797	16,328,087		367,764,884
Total return notes	-	-	-	-
Promissory notes	9,810,494	-	-	9,810,493
Other assets	-	-	1,630,239,005	1,630,239,005
	1,543,188,272	16,328,087	6,985,778,348	8,545,294,705
Liabilities				
Deposits from financial institutions	-	-	1,758,573,492	1,758,573,492
Deposits from customers	-	-	5,974,755,925	5,974,755,925
Other liabilities	-	-	486,011,734	486,011,734
Debt securities issued	177,860,277	-	-	177,860,277
Interest-bearing borrowings	-	-	842,541,570	842,541,570
	177,860,277	-	9,061,882,721	9,239,742,998

* There are no transfers between levels during the period

Group
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	723,872,820	723,872,820
Loans and advances to banks	-	-	392,821,307	392,821,307
Loans and advances to customers	-	-	3,218,107,027	3,218,107,027
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	272,033,759	5,406,240		277,439,998
Total return notes	45,527,717	-	-	45,527,716
Promissory notes	427,536	-	-	427,535
Other assets	-	-	1,522,315,074	1,522,315,074
	695,030,158	**5,406,240**	**5,857,116,228**	**6,557,552,626**

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	958,397,171	958,397,171
Deposits from customers	-	-	5,587,418,213	5,587,418,213
Other liabilities	-	-	356,638,102	356,638,102
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	-	-	791,455,237	791,455,237
	169,160,059	**-**	**7,693,908,723**	**7,863,068,782**

Bank
June 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	997,884,070	997,884,070
Loans and advances to banks	-	-	206,089,405	206,089,405
Loans and advances to customers	-	-	3,113,306,375	3,113,306,375
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	163,046,971	-	-	163,046,971
Bonds	37,787,758	-	-	37,787,758
Investment securities				
Financial assets at amortised cost				
Treasury bills	900,927,564	-	-	900,927,564
Bonds	301,008,349	16,328,087	-	317,336,436
Total return notes	-	-	-	-
Promissory notes	9,810,495	-	-	9,810,495
Other Assets	-	-	1,554,763,902	1,554,763,902
	1,412,581,137	16,328,087	5,872,043,752	7,300,952,976
Liabilities				
Deposits from financial institutions	-	-	1,579,353,651	1,579,353,651
Deposits from customers	-	-	4,872,251,742	4,872,251,742
Other liabilities	-	-	424,391,348	424,391,348
Debt securities issued	172,555,098		-	172,555,098
Interest-bearing borrowings	-	-	780,828,678	780,828,678
	172,555,098	-	7,656,825,419	7,829,380,517

Bank
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	589,812,439	589,812,439
Loans and advances to banks	-	-	231,788,276	231,788,276
Loans and advances to customers	-	-	2,818,875,731	2,818,875,731
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	244,815,922	5,406,240	-	250,222,163
Total return notes	45,527,717	-	-	45,527,717
Promissory notes	427,537	-	-	427,537
Other Assets	-	-	1,471,481,477	1,471,481,477
	625,004,933	5,406,240	5,111,957,923	5,742,369,097
Liabilities				
Deposits from financial institutions	-	-	831,632,332	831,632,332
Deposits from customers	-	-	4,832,744,495	4,832,744,495
Other liabilities	-	-	322,955,910	322,955,910
Debt securities issued	169,160,059		-	169,160,059
Interest-bearing borrowings	-	-	755,254,273	755,254,273
	169,160,059	-	6,742,587,010	6,911,747,069

* There are no transfers between levels during the period

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 fair value through other comprehensive income 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 period under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics.

Transfers between fair value hierarchy

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

4.1 ***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 30 June 2021	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	182,269,354	Forward and swap: Fair value through market rate from a quoted market Futures: Fair value through reference market rate	Market rates from quoted market	171,840,928	172,613,565	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	9,765,338					
Investment in CSCS	6,937,500	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	7,284,375	6,590,625	The higher the share price, the higher the fair value
Nigerian Mortgage Refinance Company	323,333	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	339,500	307,167	The higher the share price, the higher the fair value

4.1 ***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 30 June 2021	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	126,844,590	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	133,186,820	120,502,361	132,164,398	131,395,063	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	5,444,370	Adjusted fair value comparison approach	Median PE ratios of comparable companies	5,716,588	5,172,151	5,379,684	5,509,056	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in NIBSS	17,665,370	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	18,548,638	16,782,101	17,455,484	17,875,256	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in Afrexim	95,405	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	80,941	73,233	38,162	38,162	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in FMDQ	3,332,927	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	5,708,021	5,164,400	5,385,263	5,629,708	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	505,630	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	530,912	480,349	499,623	511,638	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
CAPITAL ALLIANCE EQUITY FUND	4,342,319	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,559,435	4,125,203	4,559,435	4,125,203	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
NG Clearing	483,965	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	508,163	459,767	445,979	450,630	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

4.1.5 Reconciliation of Level 3 Investments

The following tables presents the changes in Level 3 instruments for the period ended 30 June 2021

Financial assets at fair value through profit or loss (Equity)	**Group June 2021**	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Opening balance	141,230,894	112,559,385	141,200,370	112,527,686
Total unrealised gains in P/L	24,825,038	28,672,684	24,825,038	28,672,684
Purchase/Sales	241,408	(1,175)	-	-
Balance, period end	**166,297,340**	**141,230,894**	**166,025,408**	**141,200,370**

Assets Held for Sale	**Group June 2021**	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Opening balance	28,318,472	24,957,521	28,128,474	24,957,525
Acquired from business combination	-	-	-	-
Additions	6,766,838	5,370,951	6,766,836	5,180,949
Disposals	(35,000)	(2,010,000)	(35,000)	(2,010,000)
Balance, period end	**35,050,310**	**28,318,472**	**34,860,310**	**28,128,474**

Investment under management	**Group June 2021**	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Opening balance	30,451,466	28,291,959	30,451,466	28,291,959
Additions	1,160,252	2,159,507	1,160,252	2,159,507
Balance, period end	**31,611,718**	**30,451,466**	**31,611,718**	**30,451,466**

(b) Fair value of financial assets and liabilities not carried at fair value

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) Cash

The carrying amount of cash and balances with banks is a reasonable approximation of fair value.

(ii) Loans and advances to banks and customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iii) Investment securities and pledged assets

The fair values are based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

The fair value comprises equity securities and debt instruments. The fair value for these assets are based on estimations using market prices and earning multiples of quoted securities with similar characteristics.

(iv) Other assets

The bulk of these financial assets have short maturities and the amounts is a reasonable approximation of fair value.

(v) Deposits from banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(vi) Other liabilities

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value. They comprise of short term liabilities which are available on demand to creditors with no contractual rates attached to them.

(vii) Interest bearing borrowings

The estimated fair value of fixed interest-bearing borrowings not quoted in an active market is based on the market rates for similar instruments for these debts over their remaining maturity.

(viii) Debt securities issued

The estimated fair value of floating interest rate debt securities quoted in an active market is based on the quoted market rates as listed on the irish stock exchange for these debts over their remaining maturity.

4.3 Financial assets and liabilities

(a) Fair value measurement

Accounting classification measurement basis and fair values

The table below sets out the classification of each class of financial assets and liabilities, and their fair values.

Group In thousands of Naira June 2021	Financial assets designated as FVPL	Financial assets mandatorily measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities mandatorily measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	1,364,570,882	-	-	-	1,364,570,882	1,364,570,882
Investment under management	-	-	-	31,611,718	-	-	31,611,718	31,611,718
Non pledged trading assets		-	-	-	-	-		
Treasury bills	60,164,724	-	-	-	-	-	60,164,724	61,602,125
Bonds	76,372,433	-	-	-	-	-	76,372,433	76,372,433
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	187,122,508	-	-	-	-	187,122,508	187,122,508
Loans and advances to banks	-	-	408,021,137	-	-	-	408,021,137	408,021,137
Loans and advances to customers	-	-	3,582,947,324	-	-	-	3,582,947,324	3,582,947,324
Pledged assets		-						
Treasury bills	-	-	94,446,926	11,714,103	-	-	106,161,029	174,761,075
Bonds	422,169	-	44,570,800	-	-	-	44,992,969	38,209,926
Promissory Notes	-	-		43,847,608	-	-	43,847,608	43,847,608
Investment securities								
- Financial assets at FVOCI		-						
Treasury bills	-	-	-	288,062,819	-	-	288,062,819	288,062,819
Bonds	-	-	-	221,303,331	-	-	221,303,331	221,303,331
Promissory Notes	-	-	-	7,509,390	-	-	7,509,390	7,509,390
- Financial assets at FVPL								
Equity	165,349,327	-	-	-	-	-	165,349,327	165,349,327
- Financial assets at amortised cost		-						
Treasury bills	-	-	712,955,648	-	-	-	712,955,648	981,106,252
Total Return Notes	-	-		-	-	-	-	-
Bonds	-	-	323,437,923	-	-	-	323,437,923	366,615,414
Promissory Notes	-	-	12,054,772	-	-	-	12,054,772	9,810,494
Other assets	-	-	1,632,953,452	-	-	-	1,632,953,452	1,632,953,452
	302,308,653	**187,122,508**	**8,175,958,864**	**604,048,969**	**-**	**-**	**9,269,438,994**	**9,641,777,216**
Deposits from financial institutions	-	-	-	-	-	1,426,912,419	1,426,912,419	947,575,948
Deposits from customers	-	-	-	-	-	5,909,023,567	5,909,023,567	5,632,804,940
Other liabilities	-	-	-	-	-	555,641,216	555,641,216	486,011,734
Derivative financial instruments	-	-	-	-	2,681,198	-	2,681,198	10,099,966
Debt securities issued	-	-	-	-	-	172,470,010	172,470,010	177,860,278
Interest bearing borrowings	-	-	-	-	-	911,102,998	911,102,998	842,541,570
	-	**-**	**-**	**-**	**2,681,198**	**8,975,150,210**	**8,977,831,408**	**8,096,894,436**

Group
In thousands of Naira
December 2020

	Financial assets designated as FVPL	Financial assets mandatorily measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities mandatorily measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	708,701,735	-	-	-	708,701,735	723,872,820
Investment under management	-	-	-	30,451,466	-	-	30,451,466	30,451,466
Non pledged trading assets		-	-	-	-	-	-	
Treasury bills	116,036,126	-	-	-	-	-	116,036,126	116,036,126
Bonds	91,915,817	-	-	-	-	-	91,915,817	91,915,817
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	251,112,745	-	-	-	-	251,112,745	251,112,745
Loans and advances to banks	-	-	392,821,307	-	-	-	392,821,307	392,821,307
Loans and advances to customers	-	-	3,218,107,027	-	-	-	3,218,107,027	3,218,107,027
Pledged assets		-					-	
Treasury bills	85,006,603	-	94,446,926	999,521	-	-	180,453,050	184,103,895
Bonds	-	-	44,570,800	2,617,080	-	-	47,187,881	44,451,010
Investment securities		-					-	
- Financial assets at FVOCI		-					-	
Treasury bills	-	-	-	748,230,225	-	-	748,230,225	748,230,225
Bonds	-	-	-	219,614,874	-	-	219,614,874	219,614,874
Promissory Notes	-	-	-	80,033,790	-	-	80,033,790	80,033,790
- Financial assets at FVPL							-	
Equity	141,765,576	-	-	-	-	-	141,765,576	141,765,576
- Financial assets at amortised cost		-					-	
Treasury bills	-	-	237,319,644	-	-	-	237,319,644	237,109,445
Total Return Notes	-	-	46,304,096	-	-	-	46,304,096	
Bonds	-	-	288,715,163	-	-	-	288,715,163	276,839,983
Promissory Notes	-	-	427,536	-	-	-	427,536	427,536
Other assets	-	-	1,562,968,322	-	-	-	1,562,968,322	1,528,465,157
	434,724,122	**251,112,745**	**6,594,382,556**	**1,081,946,956**	**-**	**-**	**8,362,166,379**	**8,285,358,800**
Deposits from financial institutions	-	-	-	-	-	943,625,036	943,625,036	947,575,948
Deposits from customers	-	-	-	-	-	5,609,318,994	5,609,318,994	5,632,804,940
Other liabilities	-	-	-	-	-	357,424,157	357,424,157	356,638,102
Derivative financial instruments	-	-	-	-	19,088,634	-	19,088,634	20,880,529
Debt securities issued	-	-	-	-	-	169,160,059	169,160,059	180,964,594
Interest bearing borrowings	-	-	-	-	-	796,750,541	796,750,541	791,455,237
	-	**-**	**-**	**-**	**19,088,634**	**7,876,278,786**	**7,895,367,420**	**7,930,319,350**

The Group reclassified Cash reserve requirement, classified as restricted deposits with Central banks and special reserve intervention funds, from Cash and cash equivalents to Other assets for financial reporting purposes.

Bank *In thousands of Naira* **June 2021**	**Financial assets designated as FVPL**	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	997,884,070	-	-	-	997,884,070	997,884,070
Investment under management	-	-	-	31,611,718	-	-	31,611,718	31,611,718
Non pledged trading assets								
Treasury bills	42,527,338	-	-	-	-	-	42,527,338	42,527,338
Bonds	2,746,465	-	-	-	-	-	2,746,465	2,746,465
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	182,269,354	-	-	-	-	182,269,354	182,269,354
Loans and advances to banks	-	-	206,089,405	-	-	-	206,089,405	206,089,405
Loans and advances to customers	-	-	3,113,306,375	-	-	-	3,113,306,375	3,113,306,375
Pledged assets								
Treasury bills	-	-	183,895,038	11,714,103	-	-	195,609,141	174,761,075
Bonds	-	-	37,787,758	-	422,169	-	38,209,926	38,209,926
Promissory Notes	-	-	43,847,608	-	-	-	43,847,608	43,847,608
Investment securities								
- Financial assets at FVOCI								
Treasury bills	-	-	-	133,494,452	-	-	133,494,452	133,494,452
Bonds	-	-	-	43,987,179	-	-	43,987,179	43,987,179
Promissory Notes	-	-	-	7,509,391	-	-	7,509,391	7,509,391
- Financial assets at FVPL								
Equity	165,077,398	-	-	-	-	-	165,077,398	165,077,398
- Financial assets at amortised cost								
Treasury bills	-	-	900,927,564	-	-	-	900,927,564	900,927,564
Total Return Notes	-	-	-	-	-	-	-	-
Bonds	-	-	305,649,342	-	-	-	305,649,342	318,374,211
Promissory Notes	-	-	9,810,495	-	-	-	9,810,495	9,810,495
Other assets	-	-	1,557,219,141	-	-	-	1,557,219,141	1,557,219,141
	210,351,202	**182,269,354**	**7,356,416,796**	**228,316,843**	**422,169**	**-**	**7,977,776,362**	**7,969,653,165**
Deposits from financial institutions	-	-	-	-	-	1,250,028,238	1,250,028,238	835,114,336
Deposits from customers	-	-	-	-	-	4,877,727,140	4,877,727,140	4,875,226,175
Other liabilities	-	-	-	-	-	490,241,187	490,241,187	424,391,348
Derivative financial instruments	-	-	-	-	2,353,460	-	2,353,460	9,765,338
Debt securities issued	-	-	-	-	-	172,470,010	172,470,010	172,555,098
Interest bearing borrowings	-	-	-	-	-	820,417,293	820,417,293	780,828,678
	-	**-**	**-**	**-**	**2,353,460**	**7,610,883,868**	**7,613,237,328**	**7,097,880,973**

Bank *In thousands of Naira* **December 2020**	**Financial assets designated as FVPL**	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	589,813,074	-	-	-	589,813,074	589,812,439
Investment under management	-	-	-	30,451,466	-	-	30,451,466	30,451,466
Non pledged trading assets							-	
Treasury bills	97,719,848	-	-	-	-	-	97,719,848	97,719,848
Bonds	12,563,265	-	-	-	-	-	12,563,265	12,563,265
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	244,564,046	-	-	-	-	244,564,046	244,564,046
Loans and advances to banks	-	-	231,788,276	-	-	-	231,788,276	231,788,276
Loans and advances to customers	-	-	2,818,875,731	-	-	-	2,818,875,731	2,818,875,731
Pledged assets							-	
Treasury bills	85,006,603	-	94,446,926	999,521	-	-	180,453,050	184,103,895
Bonds	-	-	44,570,800	2,617,080	-	-	47,187,881	44,451,010
Investment securities							-	
- Financial assets at FVOCI							-	
Treasury bills	-	-	-	608,866,687	-	-	608,866,687	608,866,687
Bonds	-	-	-	106,924,656	-	-	106,924,656	106,924,656
Promissory Notes	-	-	-	80,033,790	-	-	80,033,790	80,033,790
- Financial assets at FVPL							-	
Equity	141,735,053	-	-	-	-	-	141,735,053	141,735,053
- Financial assets at amortised cost							-	
Treasury bills	-	-	194,543,388	-	-	-	194,543,388	194,302,056
Total Return Notes							-	
Bonds	-	-	246,498,486	-	-	-	246,498,486	250,772,348
Promissory Notes	-	-	427,536	-	-	-	427,536	427,537
Other assets	-	-	1,509,545,978	-	-	-	1,509,545,978	1,477,457,039
	337,024,769	**244,564,046**	**5,730,510,195**	**829,893,200**	**-**	**-**	**7,141,992,211**	**7,114,849,142**
Deposits from financial institutions	-	-	-	-	-	831,632,332	831,632,332	835,114,336
Deposits from customers	-	-	-	-	-	4,854,898,947	4,854,898,947	4,875,226,175
Other liabilities	-	-	-	-	-	322,955,917	322,955,917	322,955,910
Derivative financial instruments	-	-	-	-	20,775,722	-	20,775,722	20,775,722
Debt securities issued	-	-	-	-	-	169,160,059	169,160,059	180,964,594
Interest bearing borrowings	-	-	-	-	-	760,275,225	760,275,225	755,254,273
	-	**-**	**-**	**-**	**20,775,722**	**6,938,922,480**	**6,959,698,203**	**6,990,291,010**

2 Interest bearing borrowings
The Group reclassified Cash reserve requirement, classified as restricted deposits with Central banks and special reserve intervention funds, from Cash and cash equivalents to Other assets for financial reporting purposes.

CREDIT RISK MANAGEMENT

In Access Bank everyone is involved in Risk Management with ultimate responsibility residing with the Board. We operate the 3 line of defence model which enhances the understanding of risk management and control by clarifying roles and duties. The risk management process of the bank is well fortified to mitigate the threats imposed by impact of covid 19 or any other risk event on the bank's business.

The management of the bank took a proactive approach to protect its loan book from the impact of Covid 19 on the bank's books by analyzing the extent of the pandemic on different sectors and sub sectors of the economy. This enabled us to understand our customer's challenges and potential outlook. We took steps to lessen the burden of loan repayment on our borrowers and preserve the risk assets quality of the bank, working within regulatory guidance.

The Risk Management Division has continued to take advantage of advancement and innovation in the technology space to automate the management of risk. Credit and analytics tools are in use to enhance the credit decision making and monitoring process in the bank.

PRINCIPAL CREDIT POLICIES

The following are some of the principal credit policies of the Bank:

Credit Risk Management Policy: The core objective is to enable maximisation of returns on a risk adjusted basis from banking book credit risk exposures that are brought under the ambit of Credit Risk Management Policy. This is done by putting in place robust credit risk management systems consisting of risk identification, risk measurement, setting of exposure and risk limits, risk monitoring and control as well as reporting of credit risk in the banking book.

Credit Risk Rating Policy: The objective of this policy is to ensure reliable and consistent Obligor Risk Ratings (ORRs) and Facility Risk Ratings (FRRs) and to provide guidelines for risk rating for retail and non-retail exposures in the banking book covering credit and investment books of the Bank.

RESPONSIBILITIES OF BUSINESS UNITS AND INDEPENDENT CREDIT RISK MANAGEMENT

In Access Bank, Business Units and independent credit risk management have a joint responsibility for the overall accuracy of risk ratings assigned to obligors and facilities. Business Relationship Managers are responsible for deriving the Obligor Risk Rating ('ORR') and Facility Risk Rating ('FRR') using approved methodologies. However, independent credit risk management validates such ratings.

Notwithstanding who derives the risk rating, Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR and FRR assigned to borrowers and facilities. This review includes ensuring the ongoing consistency of the business' Risk Rating Process with the Bank's Risk Rating Policy; ongoing appropriate application of the risk rating process and tools; review of judgmental and qualitative inputs into the risk rating process; ensuring the timeliness and thoroughness of risk rating reviews; and ensuring that the documentation of the risk rating process is complete and current.

Credit Risk Management has the final authority if there is a question about a specific rating.

CREDIT PROCESS

The Bank's credit process starts with portfolio planning and target market identification. Within identified target markets, credits are initiated by relationship managers. The proposed credits are subjected to review and approvals by applicable credit approval authorities. Further to appropriate approvals, loans are disbursed to beneficiaries.
Ongoing management of loans is undertaken by both relationship management teams and our Credit Risk Management Group. The process is applied across the Bank and in the subsidiaries.

If a preliminary analysis of a loan request by the account manager indicates that it merits further scrutiny, it is then analysed in greater detail by the account manager, with further detailed review by Credit Risk Management. The concurrence of Credit Risk Management must be obtained for any credit extension. If the loan application passes the detailed analysis, it is submitted to the appropriate approval authority based on the size and risk rating of facilities.

The standard credit evaluation process is based both on quantitative figures from the Financial Statements and on an array of qualitative factors. Information on the borrower is collected as well as pertinent macroeconomic data, such as an outlook for the relevant sector. These factors are assessed by the analyst and all individuals involved in the credit approval process, relying not only on quantitative factors but also on extensive knowledge of the company in question and its management.

Risk Rating Scale and external rating equivalence

Access Bank operates a 12-grade numeric risk rating scale. The risk rating scale runs from 1 to 8. Rating 1 represents the best obligors and facilities, while rating 8 represents the worst obligors and facilities. The risk rating scale incorporates sub-grades and full grades reflective of realistic credit migration patterns.

The risk rating scale and the external rating equivalent is detailed below:

Access Bank risk Rating	External Rating Equivalent	Grade
1	AAA	Investment Grade
2+	AA	
2	A	
2-	BBB	
3+	BB+	Standard Grade
3	BB	
3-	BB-	
4	B	Non-Investment Grade
5	B-	
6	CCC	
7	C	
8	D	

TRAINING / CERTIFICATION

In line with the CBN's competency framework, members of the Group have consistently upgraded their competency level by passing necessary certification examinations like Certified Risk Manager (Risk Management Association of Nigeria), ACIB (CIBN), ICAN, ACCA, CFA and other relevant professional certifications.

The Bank has also entered partnerships with renowned international firms like Dun and Bradstreet, KPMG and Moody's Analytics for training in Credit Risk Analysis and Financial Risk Management for the first and second lines of defence. These are outside regular training conducted within the Group to enhance staff capacity in handling transactions in the dynamic business environment and ever-evolving banking industry.

CREDIT OFFICER RISK RATING

To reshape the understanding of risk, the bank developed a Credit Officer Risk Rating model which assigns rating to credit officers based on the quality and performance of risk asset portfolio managed by the individual officer. This puts the bank in a more disciplined position in the credit appraisal and approval processes.

CREDIT RISK CONTROL AND MITIGATION

AUTHORITY LIMITS ON CREDIT

The highest credit approval authority is the Board of Directors, supported by the Board Credit and Finance Committee and followed by the Management Credit Committee. Individuals are also assigned credit approval authorities in line with the Bank's criteria for such delegation set out in its Credit Risk and Portfolio Management Plan. The principle of central management of risk and decision authority is maintained by the Bank, subject to local regulatory and market requirements in each country.

The credit approval limits of the principal officers of the Group are shown in the table below:

In addition, approval and exposure limits based on internal Obligor Risk Ratings have been approved by the Board for the relevant approving authorities and credit committees as shown in the second table below:

APPROVING AUTHORITY	**APPROVED LIMIT (New Requests) (NgN)**	**APPROVED LIMIT (Renewals of Existing Credits) (NgN)**
Executive Director	150 million	200 million
Group Deputy Managing Director	400 million	500 million
Group Managing Director/CEO	500 million	600 million

Access Bank Risk Rating	Exposure Limit (ORR-based LLL) (NGN)	Management Credit Committee Approval Limit (NGN)	Board Credit & Finance Committee Approval Limit (NGN)	Board of Directors Limit
1	41 billion	20 billion	40 billion	Legal lending limit
2+	33 billion	15 billion	30 billion	
2	25 billion	5 billion	15 billion	
2-	16 billion	2 billion	10 billion	
3+	3 billion	1 billion	10 billion	
3	1.7 billion	0.8 billion	10 billion	
3-	0.8 billion	0.5 billion	2 billion	
4		Above 0.1 billion		

COLLATERAL POLICIES

It is the Group's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure or transferring it to counterparty, at facility level, by a safety net of tangible and realisable securities including approved third-party guarantees/ insurance.

However, the primary consideration for approving credits is hinged largely on the obligor's financial strength and debt-servicing capacity. The guidelines relating to risk mitigants as incorporated in the guidance note of Basel Committee on Banking Supervision ('BCBS') on "Principles for the Management of Credit Risk" are to be taken into consideration while using a credit risk mitigant to control credit risk.

The Bank utilizes transaction structure, collateral and guarantees to help mitigate risks (both identified and inherent) in individual credits but transactions should be entered into primarily on the strength of the borrower's repayment capacity. Collateral cannot be a substitute for a comprehensive assessment of the borrower or the counterparty, nor can it compensate for insufficient information. It is recognised that any credit enforcement actions (e.g. foreclosure proceedings) can eliminate the profit margin on the transaction. In addition, we are mindful that the value of collateral may well be impaired by the same factors that have led to the diminished recoverability of the credit.

The range of collaterals acceptable to the Bank include:

- Mortgage on landed property (Legal Mortgage/Mortgage Debenture)
- Debenture/Charge on assets (Fixed and/or Floating)
- Cash/Money Market Investment (Letter of lien and Set-Off over fixed deposits/money market investments)
- Treasury bills and other government securities.
- Chattel/vessel Mortgage.
- Legal ownership of financed assets.

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments about taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risk associated with business practices or market conduct in which the Bank is involved. Operational risk is inherent in Access Bank's global business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

This framework includes:

- Recognised ownership of the risk by the businesses;
- Oversight by independent risk management; and
- Independent review by Internal Audit.

We seek to minimise exposure to operational risk, subject to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. Our operational risk strategy seeks to minimise the impact that operational risk can have on shareholders' value. The Bank's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings;

- Minimise the impact of unexpected and catastrophic events and related costs through risk financing strategies that would support the Bank's long-term growth, cash flow management and balance sheet protection;

- Eliminate inefficiencies, improve productivity, optimise capital requirements and improve overall performance through the institution of well designed and implemented internal controls.

In order to create and promote a culture that emphasizes effective operational management and adherence to operating controls, there are three distinct levels of operational risk governance structure in Access Bank Plc.

Level 1 refers to the oversight function carried out by the Board of Directors, Board Risk Management Committee and the Executive Management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by the operational risk management group. It has direct responsibility for formulating and implementing the Bank's operational risk management framework including methodologies, policies and procedures approved by the Board.

Level 3 refers to the operational function carried out by all business units and support functions in the Bank. These units/functions are fully responsible and accountable for the management of operational risk in their units. They work in liaison with operational risk management to define and review controls to mitigate identified risks. Internal Audit provides independent assessment and evaluation of the Bank's operational risk management framework. This periodic confirmation of the existence and utilisation of controls in compliance with approved policies and procedures, provides assurance as to the effectiveness of the Bank's operational risk management framework. Some of the tools being used to assess, measure and monitor operational risks in the Bank include; a loss database of operational risk events; an effective risk and control self-assessment process that helps to analyse business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

ALLOCATING CAPITAL TO BUSINESS UNITS

An allocation methodology is applied for allocating capital to business units. For each business unit, the allocation takes into consideration not only the size of the business unit, but also measures the business unit's control environment, namely; open audit findings, RCSA results, and loss experience. This translates to a risk-sensitive allocation with the opportunity afforded to business units to identify actions to positively impact on their respective allocated operational risk capital.

INSURANCE MITIGATION

Insurance policies are used to mitigate operational risks. These policies are current and remain applicable at the Bank and Group Level. Insurance coverage is purchased at Group or cluster level to discharge statutory and regulatory duties, or to meet counterparty commitments and stakeholder expectations. The primary insurance policies managed by the Group are:

- Comprehensive crime and electronic crime;
- Directors' and officers' liability; and
- Professional indemnity.

MARKET RISK MANAGEMENT

The Bank's capital and earnings are exposed to risk due to adverse changes in market prices. Consequently, a leading market risk management framework is in place to reduce exposure to adverse changes in interest rate, foreign exchange, equity prices and commodity prices.

The objective is not to completely avoid these risks but to ensure exposure to these risks through our trading and banking book positions are kept within the Bank's defined risk appetite and tolerance.

MARKET RISK POLICY MANAGEMENT AND CONTROL

Over the years, the Nigerian financial market has witnessed a dramatic expansion in the array of financial services and products. This tremendous growth in scale and scope has also generated new risks with global consequences, especially market risk, necessitating an assessment of exposures to the volatility of the underlying risk drivers. This has prompted the upgrading of the Market Risk Policy; Asset and Liability Management Policy; Liquidity Policy; Stress Testing Policy, and so on, to ensure the risks faced across business activities and on an aggregate basis are within the stipulated risk appetite of the Bank. These policies have been benchmarked with industry leading practices and CBN regulations.

The Bank runs an integrated and straight through processing treasury system for enabling efficient monitoring and management of interest rate and foreign exchange risks in the Bank.

Liquidity, Exchange Rate, and Interest Rate risks are managed through various approaches, viz. Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Liquidity Ratios, Earnings at Risk (EaR) and Sensitivity Analysis. The primary aim of these processes is risk forecasting and impact mitigation through management action and portfolio rebalancing.

The Bank regularly conducts stress testing to monitor its vulnerability to unfavorable shocks. It monitors and controls its risk, using various internal and regulatory risk limits for trading book and banking book which are set according to several criteria including economic scenario, business strategy, management experience, peer analysis and the Bank's risk appetite.

BANKING BOOK

Market risk management actively manages the Banking book to optimise its income potential. This risk arises from the mismatch between the future yield on assets and their funding cost, due to interest rate changes. The Bank uses a variety of tools to track and manage this risk:

- Re-pricing gap analysis
- Liquidity gap analysis
- Earnings-at-Risk (EAR) using various interest rate forecasts
- Sensitivity Analysis

INTEREST RATE RISK

Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates, yield curves and credit spreads. The Bank is exposed to interest rate risk through the interest-bearing assets and liabilities in its trading and banking books.

i. RE-PRICING AND LIQUIDITY GAP ANALYSIS

Access Bank's objective for management of interest rate risk in the banking book is to manage interest rate mismatch and lower interest rate risk over an interest rate cycle. This is achieved by hedging material exposures with the external market.

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rated assets and liabilities, the Bank is exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices, such as the savings rate and 90-day NIBOR and different types of interest.

Non-traded interest rate risk arises in the banking book from the provision of retail and wholesale (non-traded) banking products and services, as well as from certain structural exposures within the Groups balance sheet, mainly due to re-pricing timing differences between assets, liabilities and equities. These risks impact both the earnings and the economic value of the Group. Overall, non-trading interest rate risk positions are managed by Treasury, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the Group's non-trading activities.

ii. EARNINGS-AT-RISK APPROACH

Earnings at risk is the potential change in net income due to adverse movements in interest rates over a defined period. It guides the Bank to understand the impact that a change in interest rates can make on our position and projected cash flow.

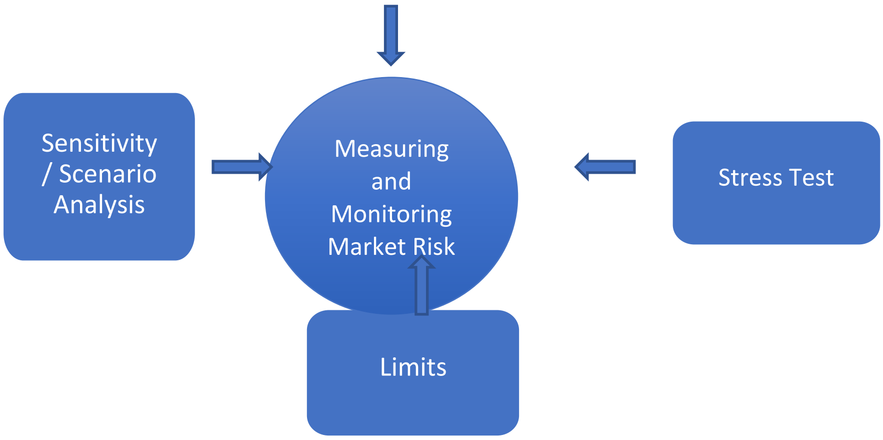
The Bank has limits drawn for this risk measure. They are designed to monitor and control the risk to our projected earnings using various rate scenarios and assumptions. The limit is expressed as a change in projected earnings over a specified time horizon and rate scenario. Scenarios adopted by the Bank include parallel and non-parallel shifts in yield.

iii. SENSITIVITY ANALYSIS

The Bank employs the use of scenario and sensitivity analysis in evaluating its exposures per time. Scenario analysis is the process of predicting the possible balance sheet impact to changes that may occur to existing variables whilst sensitivity analysis is the study of how the outcome of a decision changes due to variations in input.

TRADING PORTFOLIO

The measurement and control techniques used to measure, and control traded market risk (interest rate and foreign exchange risk) include daily valuation of positions, limit monitoring, gap analysis, sensitivity analysis, stress testing, etc.



LIMITS

The Bank uses risk limits to restrict the size of investments that their traders can take for proprietary and non-proprietary purposes. Limiting the size of investments is one of the primary ways the Bank controls risk and capital consumption. The following limits currently exist;

Fixed income and FX Open Position Limits (NOPL): The Bank, in keeping with the prudence concept, sets its policy limit for Open Position at a level lower than the maximum NOPL approved by the regulatory authority. In setting the internal NOPL, the following considerations are imperative:

- The Regulatory NOPL;
- The Bank's tolerance and appetite for FX risk;
- The size and depth of the FX market in Nigeria;
- The degree of volatility of traded currencies; and
- The Bank's desired positioning in the relevant FX market with requirements for international business support.

Inter-bank placement and takings Limit: In line with the Bank's drive to be a top liquidity provider in the financial market, stringent controls have been set to ensure that any takings from interbank are preceded by proper authorization, to reduce the risks that come with huge interbank borrowing.

Management Action Trigger (MAT): This establishes decision points to confirm the Board of Directors' tolerance for accepting trading risk losses on a cumulative basis. MAT therefore, considers actual cumulative profit/loss as well as potential losses and the loss tolerance is defined as a percentage of Gross Earnings.

Stop Loss Limit: This limit sets a maximum tolerable unrealised profit/loss to date which will trigger the closing or reduction of a position to avoid any further loss based on existing exposures.

Dealer Limits: This limit sets a maximum transaction limit by a dealer. It is based on experience and knowledge of the dealer.

Duration Limit

The Bank utilizes duration to measure the sensitivity of the price of assets in its portfolio to changes in interest rate. The Bank has duration limits for the varying asset classes in its investment/trading portfolio.

MARK TO MARKET (MTM)

The marking-to-market technique establishes the potential profit and loss by revaluing money market exposures to prevailing market prices. When no market prices are available for a specific contract period, mark-to-model is used to derive the relevant market prices. It is the Bank's policy to revalue all exposures categorised under the securities trading portfolio daily. As a general guide, marking to market is performed independently of the trading unit i.e. prices/rates are obtained from external sources.

STRESS TESTING

A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that the scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. Stress testing provides an indication of the potential size of losses that could arise in extreme conditions. It helps to identify risk concentrations across business lines and assist senior management in capital planning decisions.

Liquidity Risk Management

Liquidity risk is the potential that the Bank may be unable to meet expected or unexpected current or future cash flows and collateral needs without affecting its daily operations or its financial condition. The Bank is managed to preserve a high degree of liquidity so that it can meet the requirements of its customers always, including during periods of financial stress.

The Bank has developed a liquidity management framework based on a statistical model underpinned by conservative assumptions about cash inflows and the liquidity of liabilities. In addition, liquidity stress tests assuming extreme withdrawal scenarios are performed. These stress tests specify additional liquidity requirements to be met by holdings of liquid assets.

The Bank's liquidity has consistently been materially above the minimum liquidity ratio and the requirements of its stress tests. The Group ALCO, in conjunction with the Board and its committees, monitors our liquidity position and reviews the impact of strategic decisions on our liquidity. Liquidity positions are measured by calculating the Bank's net liquidity gap and by comparing selected ratios with targets as specified in the Liquidity Risk Management Manual.

CONTINGENCY FUNDING PLAN

Access Bank has a contingency funding plan which incorporates early warning indicators to monitor market conditions. The Bank monitors its liquidity position and funding strategies on an ongoing basis, but recognises that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause either a short or long-term liquidity crisis. It reviews its contingency funding plan annually.

The contingency funding plan covers: the available sources of contingent funding to supplement cash flow shortages; the lead times to obtain such funding; the roles and responsibilities of those involved in the contingency plans; and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long-term funding crises are addressed in the contingency funding plan.

CAPITAL RISK MANAGEMENT

Capital risk is the risk of possible erosion of the Bank's capital base due to poor capital management.

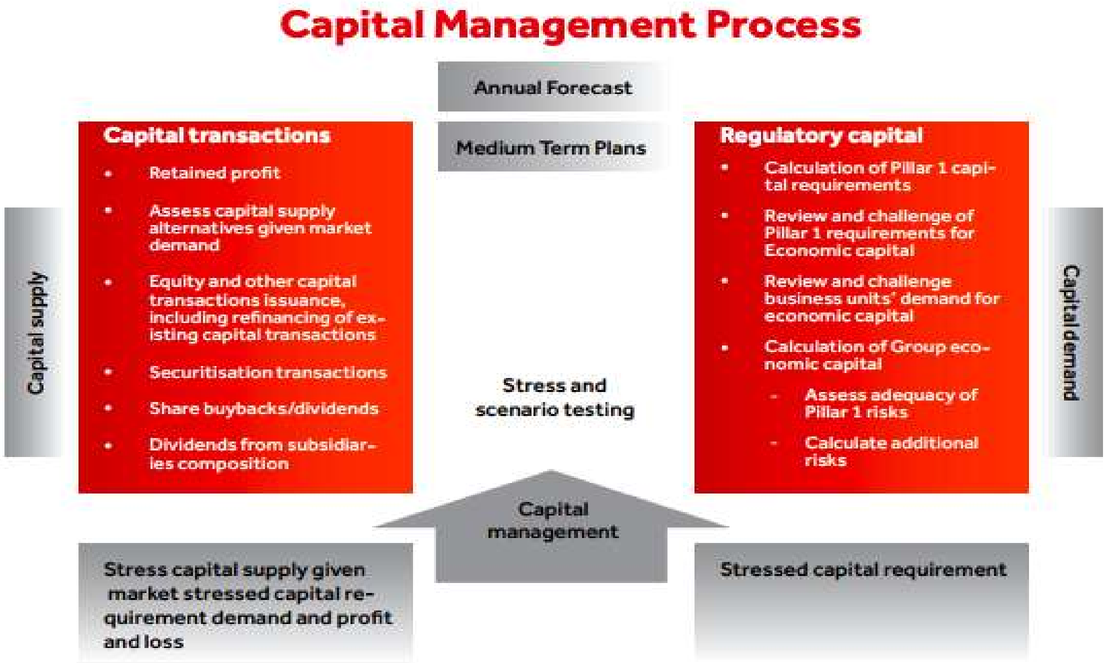
Capital management objectives:

The Group has several capital management objectives:

- To meet the capital ratios required by its regulators and the Group's Board.
- To maintain an adequate level of available capital resources as cover for the economic capital (EC) requirements.
- To generate enough capital to support asset growth.

CAPITAL MANAGEMENT STRATEGY:

The Group's capital management strategy is focused on maximizing shareholder value by optimising the level and mix of capital resources. Decisions on the allocation of capital resources are based on several factors including return on economic capital (EC) and on regulatory capital (RC), and are part of the internal capital adequacy assessment process (ICAAP).



IMPORTANCE OF CAPITAL MANAGEMENT

Capital management is critical to the Bank's survival. Hence, capital is managed as a Board level priority in the Group. The Board is responsible for assessing and approving the Group's capital management policy, capital target levels and capital strategy. A capital management framework provides effective capital planning, capital issuance, alignment to Basel accord, EC utilisation and economic profit (EP) performance measurement criteria. The diagram above illustrates the process the Group follows to ensure end-to-end integration of the Group's strategy, risk management and financial processes into the capital management process. The purpose is to ensure that capital consumption in the business divisions is planned for and reflected in their performance measurement, which in turn translates into management performance assessment, product pricing requirements and achievement of the overall strategy within the Group's risk appetite.

ENTERPRISE-WIDE SCENARIO AND STRESS TESTING

Access Bank uses robust and appropriate scenario stress testing to assess the potential impact on the Group's capital adequacy and strategic plans. Our stress testing and scenario analysis programme are central to the monitoring of strategic and potential risks. It highlights the vulnerabilities of our business and capital plans to the adverse effect of extreme but plausible events. As a part of our core risk management practices, the Bank conducts enterprise-wide stress tests on a periodic basis to better understand earnings, capital and liquidity sensitivities to certain economic scenarios, including economic conditions that are more severe than anticipated. We leveraged the Bank's ICAAP in the selection of our scenarios and improved on them to ensure they are representative of the recent macroeconomic developments. The outcome of the testing and analysis is also used to assess the potential impact of the relevant scenarios on the demand for regulatory capital compared with its supply. These enterprise-wide stress tests provide an understanding of the potential impacts on our risk profile, capital and liquidity. It generates and considers pertinent and plausible scenarios that have the potential to adversely affect our business. Stress testing and scenario analysis are used to assess the financial and management capability of Access Bank to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors. Scenarios are carefully selected by a group drawn from senior business development, risk and finance executives. Impacts on each line of business from each scenario are then analysed and determined, primarily leveraging the models and processes utilised in everyday management routines. Impacts are assessed along with potential mitigating actions that may be taken in each scenario. Analyses from such stress scenarios are compiled and reviewed through our Group Asset and Liability Committee, and the Enterprise Risk Management Committee. These are then incorporated alongside other core business processes into decision making by management and the Board. These scenario and stress testing procedures were significantly enhanced during the recent pandemic and its macroeconomic fallouts, and the management actions that arose from them were pivotal in enabling the Bank to mitigate and optimise risk outcomes and capital.

COMPLIANCE RISK MANAGEMENT

The Bank's compliance function organizes and sets priorities for the management of its compliance risk in a way that is consistent with risk management strategy and structures.

The compliance function recently had its Compliance Maturity Assessment done by Messrs. PWC by benchmarking against ISO 19600 principles. The integrated compliance function working closely with Internal Audit and Risk Management to achieve risk convergence provided backbone for integrated assurance and higher visibility of risk management and control consciousness across the Group.

The compliance function has continued to redefine and fine-tune its approach and continued to improve on its advisory role with intense focus on regulatory intelligence gathering, compliance monitoring, compliance testing and closer cooperation with business units within the Bank. The Group on the other hand acts as a contact point for compliance inquiries from staff members and recently introduced the Business Unit Compliance Officers to strengthen and deepen the cooperation with the first line of defense and the implantation of Quality Assurance in all applicable Groups within the bank
We enhanced the monitoring to online real time to catch up with the current digital banking environment. We receive alerts of transactions on a risk-based approach by focusing on the high-risk areas thereby spotting non-conformities on time and have also enhanced our Compliance management standard.

MEASUREMENT, MONITORING AND MANAGEMENT OF COMPLIANCE RISK

In Access Bank, compliance risk is continually:

- Measured by reference to identified metrics, incident assessments (whether affecting Access Bank or the wider industry), regulatory feedback, Compliance Testing and the judgment of our external assessors as it relates to AML/CFT and other compliance vulnerabilities;

- Monitored against our compliance risk assessments and metrics, the results of the continuous monitoring and reporting activities of the compliance function and the results of internal and external audits and regulatory inspections; and

- Managed by establishing and communicating appropriate policies and procedures, training employees on them, and monitoring activity to assure their observance.

The Bank continues to recognize its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business. The Conduct and Compliance function, including all staff of Access Bank Plc and its subsidiaries are committed to high standards of integrity and fair dealing in the conduct of business. The Bank's compliance risk management philosophy is deepened by the effective convergence of risk management through the 'Three Lines of Defence' model.

Effective Compliance Risk Management in Access Bank and its subsidiaries will continuously be coordinated in the following manner:

- Where a business unit is subject to regulatory requirements, it will comply with those requirements. The business unit will further establish and maintain systems of internal control to monitor and report the extent of compliance with those requirements with the support of the Conduct and Compliance function.

In the absence of regulatory requirements for all or part of a business unit, certain minimum standards of conduct is established and maintained by that business unit to the extent required as determined by the management of that business unit and in line with global best compliance practice.

INFORMATION AND CYBERSECURITY RISK MANAGEMENT

In response to the increased cyber security threat to businesses globally, we have a Cyber Security Framework and adopted an in-depth layered approach to cover Cyber security practices, information security processes and infrastructure which includes: Cyber Security Governance, Operations, and Infrastructure across the enterprise.

The year 2020 has been unusual in many ways due to the Corona Virus Pandemic. IT and Cybersecurity has not been spared and this has left many organizations scampering to safety. Access Bank, like other Global institutions, embraced new practices such as social distancing and remote working. As expected, cyber criminals worldwide have capitalized on the health crisis and it is no surprise that the main targets are financial institutions, their customers/clients.

We are aware of our position as the number one retail Bank in Nigeria with an ever-growing digital platforms portfolio, hence we cannot afford to let our guard down.
We have a holistic view of all the major risks facing the Bank and we remain vigilant regarding both known and emerging global risks. We also ensure that we are strong enough to withstand any exogenous shocks by putting in place a 24/7 monitoring and external intelligence for the Bank's information and technology assets, through our security operations center (SOC).

The continuous advancement and innovations in technology and the endless need to improve services have made digital banking a direction that the Bank must tap into with adequate mitigating approach to handle the inherent risks involved in the business. In response to the digitization needs, we have a Digital Banking Framework that enables the Bank to maintain an overall cyber risk appetite of "moderate risk" while adopting digitization processes in meeting the needs of our customers.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

The underpinning import of our environmental and social ("E&S") risk management strategy is to reduce the negative impacts of climate change and harnessing opportunities inherent in portfolio transition into near-zero economy on our business. We recognise that our customers' activities and operations can have an impact on the environment and communities around them. We have developed, implemented, and refined our approach to working with our customers to understand and manage these issues. Our robust governance framework, policies and procedures has ensured that we remain resilient in our E&S risk management commitments, particularly as the Bank has acquired new markets in the African continent and across the globe. We believe that the key to managing environmental risk is creating partnerships with our customers, assisting them on their transition path to more sustainable environmental practices. More importantly, our Environmental, Social and Governance (ESG) systems have evolved from environmental and social risks into environmental and social opportunities. This continuous evolution has ensured that we continually strive towards attaining a more refined ESG risk management structure.

Responding to Climate Change

We consider climate change to be one of the greatest challenges facing the world today. We are dedicated to achieving the commitments of the Paris Agreement on carbon emissions reductions, whilst ensuring that we stay focused on managing the potential environmental issues for Access Bank. With the increasing awareness around financed emissions and the impact of climate change potential within our portfolio, we have taken strategic steps towards understanding these potential exposures, their implications and incorporating requisite mitigating measures to forestall these risks. The Bank has therefore taken forward-looking measures by becoming a core participating member of internationally recognized climate risk initiative. These initiatives include:

UNEP FI's Taskforce on Climate related Financial Disclosures (TCFD) adopted by leading globally financial institutions, and aimed at identifying and managing the impact of climate risks in the portfolio of Financial Institutions. Access Bank became a member of the working group in 2019. We have been working on aligning the emissions from both our own operations and our financing activities to the Paris Goal of below two degrees of global warming.

Partnership for Carbon Accounting Financials (PCAF) is a global partnership aimed at harmonizing the approach in accessing and disclosing greenhouse gas (GHG) emissions associated with loans and investments. Access Bank became a member of the steering group in June 2020. We have commenced building capacity around data collection and incorporating the PCAF methodology to measure our financed emissions.

We have also further developed our climate risk strategy by expanding our portfolio of green assets. We have designed a system to identify, measure, track and report on the progress made in developing a diversified green loan portfolio. We recognize the critical role green product development plays in achieving this objective, and we are at an advanced stage in developing a bouquet of green products to catalyze more green loans into our loan portfolio. We recently bagged the Global Finance Sustainable Finance Awards under the category of Outstanding Leadership in Green Loans (Africa). This is a testament to our unwavering commitment to accelerating the global transition to net-zero. We have also set targets towards reducing the carbon emissions from our operations and have made a strong start towards achieving this goal.

REPUTATIONAL RISK MANAGEMENT

Reputational risk arises when the Bank's reputation is damaged by one or more reputational events from negative publicity about the organisation's business practices, conduct or financial condition. The Bank's Reputational Risk Management is mandated to protect the Bank from potential threats to its reputation. The team continuously uses proactive means in minimizing the effects of reputational events, thereby averting the likelihood of major reputational crises with the view of ultimately ensuring the survival of the organisation. The Bank has put in place a framework to properly articulate, analyze and manage reputational risk factors.

Access Bank takes the management of reputational risks seriously because of its far-reaching implications, which are buttressed by the fact that the Bank operates under:

- A highly regulated financial services industry with high visibility and vulnerability to regulatory actions that may adversely impact its reputation. (e.g. corporate governance crises);

- Keen competition and largely homogeneous products and services have led customers not to perceive significant differences between financial service providers; and

- Given the financing nature of products and services they provide, banks are not only exposed to their own reputation, but also to the reputation of their clients.

With banks operating and competing in a global environment, risks emerging from a host of different sources and locations are difficult to keep up with and to know how best to respond if they occur. The effects of the occurrence of a reputational risk event include but are not limited to the following:

- Loss of current or future customers;
- Loss of public confidence;
- Loss of employees leading to an increase in hiring costs, or staff downtime;
- Reduction in current or future business partners;
- Increased costs of capitalization via credit or equity markets;
- Regulatory sanctions;
- Increased costs due to government regulations, fines, or other penalties; and
- Loss of banking license.

The Group policy provides for the protection of the Group's reputation and should at all times take priority over all other activities, including revenue generation. Reputational risk will arise from the failure to effectively mitigate any or a combination of country, credit, liquidity, market, regulatory and operational risk. It may also arise from the failure to comply with social, environmental governance and ethical standards. All employees are responsible for day-to-day identification and management of reputational risk.

COMPILATION OF TRIGGER EVENTS

To assist in the identification of key reputational risk events, triggers that would set off the risk drivers are compiled through workshops with participants from relevant business units. The following table illustrates some trigger events for relevant risk drivers.

Risk Drivers	Trigger Events
Corporate governance and leadership	• Corporate frauds and scandals; • Association with dishonest and disreputable characters as directors, management • Association with politically exposed persons • Incidence of shareholders conflict and Board Instability.
Regulatory Compliance	• Non-Compliance with laws and regulation; • Non-submission of Regulatory returns
Delivering customer promise	• Security Failure • Shortfall in quality of service/fair treatment; • Bad behavior by employees
Workplace talent and culture	• Unfair employment practices • Not addressing employee grievances • Uncompetitive remuneration
Corporate social responsibility	• Lack of community development initiatives
Corporate Culture	• Lack of appropriate culture to support the achievement of business objective. • Ineffective risk management practices. • Unethical behaviors on the part of staff and management. • Lack of appropriate structure for employees to voice their concerns
Risk Management and Control Environment	• Inadequate Risk Management and Control environment • Continuous violations of existing policies and procedures
Financial Soundness and Business viability	• Consistent poor financial performance • Substantial losses from unsuccessful Investment
Crisis Management	• Inadequate response to a crisis or even a minor incident

APPROACH TO MANAGING REPUTATION RISK EVENTS

The Bank's approach to managing reputation events, including any relevant strategy and policies, is approved by the Board or its delegated committee and subject to periodic review and update by senior management to ensure that it remains appropriate over time. In addition, the approach is well documented and communicated to all relevant personnel.

POST REPUTATION EVENT REVIEWS

After a reputation event, the post-event review is conducted by Internal Audit and Risk Management Division to identify any lessons learnt, or problems and weaknesses revealed, from the event. Such reviews are useful for providing feedback and recommendations for enhancing the Bank's reputation risk management process and should at least be conducted on any major event affecting Access Bank. The Board and senior management are informed of the results of any such review conducted in order to take appropriate actions to improve their capacity to manage reputational risk.

STRATEGIC RISK MANAGEMENT

In Access Bank, we define Strategic Risk Management as the process for identifying, assessing and managing risks and uncertainties affected by internal and external events or scenarios that could inhibit the Bank's ability to achieve its strategy and strategic objectives with the ultimate goal of creating and protecting shareholder and stakeholder value. It is a primary component and necessary foundation of our Enterprise Risk Management.

Strategic risk management, therefore, is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. It can also be defined as the risk associated with future business plans and strategies, including plans for entering new business lines, expanding existing services through mergers and acquisitions, and enhancing infrastructure.

The following principles govern the Bank's strategic risk management:

The Board and Senior Management are responsible for Strategic Risk Management and oversee the effective functioning of the strategic risk management framework.
The functional units (i.e. the units which carry out business or operational functions) assist the Board and Senior management in formulating and implementing strategies, providing input to the strategic planning and management processes; and as well as implementing the strategic risk management framework.

The strategic risk management function supports the Board and senior management in managing strategic risks and other related processes in the Bank.

The measures and controls it has put in place include the following:

- Strategic plans are approved and monitored by the Board.
- Regular environmental scan, business strategy session and workshops are set up to discuss business decisions and exposure to strategic risk triggers.
- Close monitoring to ensure that strategic plans are properly aligned with the business model.
- Regular performance review by Executive Management and business plans that are approved by the Board.

The Bank also maintains a well-defined succession plan, proper monitoring and well-defined structures to align its activities to international best practices.

ECONOMIC INTELLIGENCE

Economic Intelligence (EI) is in the business of positioning economic, business and financial information as tools for helping the Bank achieve its long-term strategic objectives. Its value propositions include supporting the Bank in achieving its moderate risk appetite, price competitiveness, improvement to business intelligence and brand enhancement.

Some of the Unit's Roles and Responsibilities include:

- Monitoring and interpreting current economic developments/trends globally and wherever the Bank has presence and preparing economic outlook to aid decision making.
- Proactively providing industry analysis, identifying investment trends and opportunities for the Bank; monitoring, interpreting, and conducting policy-relevant research.
- Developing contact and collaborative economic/business and financial information with research institutes/ bodies within the country and outside.

The peculiarities of 2020 saw the Bank's strategic intent to drive sustainable growth through technology and expansion. In line with this need, the Economic Intelligence Unit, during the year, also broadened its role with the upgrade of the macro-economic model.

• **Macroeconomic and Satellite Model**: An extensive macro model to forecast future macroeconomic outcomes, simulate scenarios and conduct both bank specific and macroeconomic stress test.

5.1 Credit risk management

5.1.1 Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to financial assets are as follows:

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Cash and balances with banks				
- Current balances with banks	227,357,566	60,388,887	81,052,573	43,353,005
- Unrestricted balances with central banks	93,764,198	51,127,105	32,912,351	13,639,189
- Money market placements	159,334,311	89,783,183	101,038,665	40,095,277
- Other deposits with central banks	110,570,581	46,459,022	110,570,581	46,459,022
Investment under management	31,611,718	30,451,466	31,611,718	30,451,466
Non pledged trading assets				
Treasury bills	61,602,125	116,036,126	42,527,338	97,719,848
Bonds	76,372,433	91,915,817	2,746,465	12,563,265
Derivative financial instruments	187,122,508	251,112,745	182,269,354	244,564,046
Loans and advances to banks	408,021,137	392,821,307	206,089,405	231,788,276
Loans and advances to customers	3,582,947,324	3,218,107,027	3,113,306,375	2,818,875,731
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	11,714,103	999,521	11,714,103	999,521
Bonds	-	2,617,080	-	2,617,080
-Financial instruments at amortized cost				
Treasury bills	163,046,971	98,097,771	163,046,971	98,097,771
Bonds	37,787,758	41,833,930	37,787,758	41,833,930
Promissory notes	43,847,608	-	43,847,608	-
-Financial instruments at FVPL				
Treasury bills	-	85,006,603	-	85,006,603
Bonds	422,169	-	422,169	-
Investment securities				
-Financial instruments at FVOCI				
Treasury bills	288,062,819	748,230,225	133,494,452	608,866,687
Bonds	221,303,331	219,614,874	43,987,179	106,924,656
Promissory notes	7,509,390	80,033,790	7,509,391	80,033,790
- Financial assets at amortised cost				
Treasury bills	981,106,252	237,109,445	900,927,564	194,302,056
Total Return notes	-	45,527,717	-	45,527,717
Bonds	367,764,885	277,439,999	328,184,706	251,199,886
Promissory notes	9,810,494	427,536	9,810,495	427,537
Restricted deposit and other assets	1,630,722,484	1,523,210,445	1,555,247,381	1,472,320,310
Total	**8,701,802,165**	**7,708,351,621**	**7,140,104,602**	**6,567,666,673**

Off balance sheet exposures				
Transaction related bonds and guarantees	465,918,521	378,808,847	433,036,776	335,064,193
Guaranteed facilities	-	-	-	-
Clean line facilities for letters of credit and other commitments	354,929,787	445,538,945	335,585,737	341,751,564
Total	**820,848,308**	**824,347,792**	**768,622,513**	**676,815,757**

Balances included in other Assets above are those subject to credit risks. The table above shows a worst-case scenario of credit risk exposure to the Group as at 30 June 2021 and 31 December 2020, without taking account of any collateral held or other credit enhancements attached.

For on-balance-sheet assets, the exposures set out above are based on net amounts reported in the statements of financial position.

The Directors are confident in their ability to continue to control exposure to credit risk which can result from both its Loans and Advances portfolio and debt securities.

5.1.2 Gross loans and advances to customers per sector is as analysed follows:

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Agriculture	55,656,715	46,604,769	37,569,154	38,449,759
Construction	325,458,348	281,672,508	284,782,077	251,924,604
Education	5,509,080	6,646,081	5,509,080	6,646,081
Finance and insurance	80,109,364	64,194,208	65,258,096	51,938,634
General	254,982,589	199,551,076	202,913,265	182,981,897
General commerce	326,645,714	334,621,407	244,915,430	250,551,200
Government	293,072,622	233,659,985	284,704,099	219,321,675
Information And communication	186,427,393	166,886,229	180,577,360	159,818,167
Other manufacturing (Industries)	160,875,539	110,756,615	99,696,575	77,253,248
Basic metal Products	46,974,143	46,576,673	46,974,143	46,576,673
Cement	60,650,643	42,615,921	60,650,643	42,615,921
Conglomerate	187,947,370	112,880,586	187,947,370	112,880,586
Flourmills And bakeries	9,266	9,061	9,266	9,061
Food manufacturing	90,386,343	180,995,777	48,362,767	103,153,650
Steel rolling mills	88,569,868	86,001,404	88,569,868	86,001,404
Oil And Gas - downstream	161,998,920	136,630,374	151,683,175	124,484,023
Oil And Gas - services	577,894,488	593,061,790	542,316,487	559,533,809
Oil And Gas - upstream	255,342,334	228,927,446	249,094,456	226,906,782
Crude oil refining	15,009,819	15,351,429	15,009,819	15,351,429
Real estate activities	269,172,805	250,514,207	244,651,153	237,604,450
Transportation and storage	130,842,460	116,635,755	106,718,661	95,128,955
Power and energy	25,622,778	25,236,558	24,971,571	24,577,896
Professional, scientific and technical activities	2,046,674	1,909,503	2,046,674	1,909,503
Others	104,077,705	85,221,902	21,338,669	22,298,865
	3,705,282,980	**3,367,161,264**	**3,196,269,858**	**2,937,918,272**

5.1.3(a) Group
June 2021
Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	273,022,441	9,132,968	-	282,155,409	5,689,472	828,662	-	6,518,134	275,637,275
Non-Investment	-	2,314,589	16,371,848	18,686,437	-	425,636	6,086,661	6,512,297	12,174,140

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,675,345,209	73,727,495	-	1,749,072,704	15,742,920	3,019,429	-	18,762,349	1,730,310,355
Standard grade	1,165,075,309	282,957,465	31,681,931	1,479,714,705	20,182,481	8,897,459	11,895,444	40,975,384	1,438,739,322
Non-Investment	-	45,278,221	130,375,502	175,653,723	-	10,082,022	39,485,469	49,567,491	126,086,232

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	408,288,851	-	-	408,288,851	1,186,663	-	-	1,186,663	407,102,188
Standard grade	846,237	-	-	846,237	19,149	-	-	19,149	827,088
Non-Investment	-	-	160,826	160,826	-	-	68,966	68,966	91,860

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	376,139,170	34,390	-	376,173,560	518,205	347	-	518,552	375,655,008
Standard grade	414,647,082	28,716,829	-	443,363,911	2,552,755	52,729	-	2,605,484	440,758,427
Non-Investment	1,310,838	-	-	1,310,840	290	-	-	290	1,310,549

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	464,069,094	-	-	464,069,094	167,037	-	-	167,037	463,902,057
Standard grade	1,398,571,303	-	-	1,398,571,303	282,191	-	-	282,191	1,398,289,112
Non-Investment	4,878,406	8,038,368	-	12,916,774	109,484	929,048	-	1,038,532	11,878,242

Pledged Assets

In thousands of Naira	**Stage 1 Gross amount**	**Stage 2 Gross amount**	**Stage 3 Gross amount**	**Total Gross amount**	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**Total ECL**	**Carrying amount**
Internal rating grade									
Investment	256,818,609	-	-	256,818,609	22,525	-	-	22,525	256,796,084

Money market placements

In thousands of Naira	**Stage 1 Gross amount**	**Stage 2 Gross amount**	**Stage 3 Gross amount**	**Total Gross amount**	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**Total ECL**	**Carrying amount**
Internal rating grade									
Investment	98,450,530	-	-	98,450,530	248,532	-	-	248,532	98,201,998
Standard grade	9,813,625	-	-	9,813,625	3,161	-	-	3,161	9,810,464
Non-Investment	51,066,001	-	-	51,066,001	128,162	-	-	128,162	50,937,839
	-	-	-						
	-	-	-						

Other assets	-	-	-						
In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	**Total Gross amount**	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**Total ECL**	**Carrying amount**
Internal rating grade									
Investment	1,596,240,631	-	-	1,596,240,631	114,077	-	-	114,077	1,596,126,555
Standard grade	15,661,681	21,051,139	-	36,712,821	93,835	2,023,056	-	2,116,891	34,595,929
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3(b) Bank
June 2021
Credit quality by class

Loans to retail customers

In thousands of Naira	**Stage 1 Gross amount**	**Stage 2 Gross amount**	**Stage 3 Gross amount**	**Total Gross amount**	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**Total ECL**	**Carrying amount**
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	101,768,228	9,132,968	-	110,901,196	5,610,728	828,662	-	6,439,390	104,461,806
Non-Investment	-	50,304	12,472,775	12,523,079	-	5,667	5,036,736	5,042,403	7,480,677

Loans to corporate customers

In thousands of Naira	**Stage 1 Gross amount**	**Stage 2 Gross amount**	**Stage 3 Gross amount**	**Total Gross amount**	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**Total ECL**	**Carrying amount**
Internal rating grade									
Investment	1,580,987,910	73,727,495	-	1,654,715,405	15,233,706	3,019,429	-	18,253,135	1,636,462,270
Standard grade	1,059,549,755	282,957,465	31,681,931	1,374,189,151	18,145,627	8,897,459	11,895,444	38,938,530	1,335,250,622
Non-Investment	-	52,911	43,888,117	43,941,028	-	2,746	14,287,279	14,290,025	29,651,003

Loans and advances to banks

In thousands of Naira	**Stage 1 Gross amount**	**Stage 2 Gross amount**	**Stage 3 Gross amount**	**Total Gross amount**	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**Total ECL**	**Carrying amount**
Internal rating grade									
Investment	206,187,322	-	-	206,187,322	1,016,865	-	-	1,016,865	205,170,457
Standard grade	846,237	-	-	846,237	19,149	-	-	19,149	827,088
Non-Investment	-	-	160,826	160,826	-	-	68,966	68,966	91,860

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	360,471,431	34,390	-	360,505,821	518,205	347	-	518,552	359,987,269
Standard grade	383,311,604	23,494,250	-	406,805,854	2,307,294	52,729	-	2,360,023	404,445,831
Non-Investment	1,310,838	-	-	1,310,838	290	-	-	290	1,310,548

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	3,170,911	-	-	3,170,911	1,230	-	-	1,230	3,169,681
Standard grade	1,398,571,303	-	-	1,398,571,303	282,191	-	-	282,191	1,398,289,112
Non-Investment	4,878,406	7,482,672	-	12,361,078	109,484	929,048	-	1,038,532	11,322,546

Pledged Assets

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	256,396,440	-	-	256,396,440	22,525	-	-	22,525	256,373,915

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	40,154,878	-	-	40,154,878	5,130	-	-	5,130	40,149,748
Standard grade	9,813,625	-	-	9,813,625	3,161	-	-	3,161	9,810,464
Non-Investment	51,066,001	-	-	51,066,001	128,162	-	-	128,162	50,937,838

Other assets

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade				-				-	-
Investment	1,522,209,015	-	-	1,522,209,015	100,822	-	-	100,822	1,522,108,192
Standard grade	14,935,313	20,074,814	-	35,010,126	82,933	1,788,005	-	1,870,938	33,139,189
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3(a) Group
December 2020
Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	186,055,014	12,890,519	-	198,945,533	629,734	431,507	-	1,061,241	197,884,292
Non-Investment	-	400,171	9,958,273	10,358,444	-	329,538	2,621,276	2,950,814	7,407,630

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,521,827,027	69,704,614	-	1,591,531,641	15,886,487	4,326,734	-	20,213,221	1,571,318,420
Standard grade	1,024,263,227	380,763,903	-	1,405,027,130	16,103,406	45,509,751	-	61,613,157	1,343,413,973
Non-Investment	-	10,154,033	151,144,481	161,298,514	-	8,394,219	54,821,587	63,215,806	98,082,709

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	393,326,719	-	-	393,326,719	599,195	-	-	599,195	392,727,524
Standard grade	6,411	-	-	6,411	188	-	-	188	6,223
Non-Investment	-	-	140,061	140,061	-	-	52,501	52,501	87,560

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	392,519,731	-	-	392,519,731	245,291	-	-	245,291	392,274,440
Standard grade	413,915,207	16,631,872	-	430,547,079	2,409,584	43,489	-	2,453,073	428,094,007
Non-Investment	40,832	1,240,150	-	1,280,982	705	40,966	-	41,671	1,239,311

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	370,970,748	-	-	370,970,748	55,878	-	-	55,878	370,914,870
Standard grade	1,229,097,842	-	472,288	1,229,570,130	344,654	-	472,288	816,942	1,228,753,188
Sub-standard grade	-	-	-	-				-	-
Non-Investment	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202

Pledged Assets

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	228,554,905	-	-	228,554,905	9,370	-	-	9,370	228,545,535

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	73,757,529	-	-	73,757,529	171,203	-	-	171,203	73,586,325
Standard grade	8,019,055	-	-	8,019,055	31,955	-	-	31,955	7,987,100
Non-Investment	8,006,600	-	-	8,006,600	1,700	-	-	1,700	8,004,900

5.1.3(b) Bank
December 2020
Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	87,793,354	12,890,519	-	100,683,873	569,711	431,507	-	1,001,218	99,682,655
Non-Investment	-	64,145	7,998,975	8,063,120	-	9,413	1,820,964	1,830,377	6,232,747

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,437,096,178	69,704,614	-	1,506,800,792	15,498,335	4,326,734	-	19,825,069	1,486,975,722
Standard grade	831,221,838	380,763,903	-	1,211,985,741	14,550,801	45,509,751	-	60,060,551	1,151,925,191
Non-Investment	-	2,700,464	107,684,279	110,384,743	-	711,224	35,614,100	36,325,324	74,059,419

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	231,940,426	-	-	231,940,426	245,933	-	-	245,933	231,694,493
Standard grade	6,411	-	-	6,411	188	-	-	188	6,223
Non-Investment	-	-	140,061	140,061	-	-	52,501	52,501	87,560

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	348,260,121	-	-	348,260,121	245,291	-	-	245,291	348,014,830
Standard grade	325,395,986	1,878,669	-	327,274,655	2,288,632	43,489	-	2,332,121	324,942,534
Non-Investment	40,832	1,240,150	-	1,280,982	705	40,966	-	41,671	1,239,311

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,227
Standard grade	1,229,097,842	-	472,288	1,229,570,130	344,654	-	472,288	816,942	1,228,753,188
Non-Investment	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202

Pledged Assets

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	228,554,905	-	-	228,554,905	9,370	-	-	9,370	228,545,535

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	24,069,623	-	-	24,069,623	501	-	-	501	24,069,122
Standard grade	8,019,055	-	-	8,019,055	31,955	-	-	31,955	7,987,100
Non-Investment	8,006,600	-	-	8,006,600	1,700	-	-	1,700	8,004,900

5.1. Credit quality
(c) Credit quality by risk rating class

Group

In thousands of Naira
June 2021

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	496,985	-	-	496,985	39,891	-	-	39,891	457,094
BB	Standard	3	268,840,785	8,817,720	-	277,658,505	5,360,650	806,915	-	6,167,565	271,490,940
BB-	Standard	3-	3,684,672	315,249	-	3,999,921	288,932	21,747	-	310,679	3,689,242
B	Non-Investment	4	-	26,015	-	26,015	-	1,169	-	1,169	24,845
B-	Non-Investment	5	-	2,288,574	-	2,288,574	-	424,467	-	424,467	1,864,107
CCC	Non-Investment	6	-	-	12,717,551	12,717,551	-	-	4,544,161	4,544,161	8,173,392
C	Non-Investment	7	-	-	402,152	402,152	-	-	165,391	165,391	236,761
D	Non-Investment	8	-	-	3,252,145	3,252,145	-	-	1,377,109	1,377,109	1,875,038
Carrying amount			**273,022,442**	**11,447,558**	**16,371,848**	**300,841,847**	**5,689,472**	**1,254,298**	**6,086,661**	**13,030,432**	**287,811,426**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	173,161,423	-	-	173,161,423	222,925	-	-	222,925	172,938,498
AA	Investment	2+	409,004,858	-	-	409,004,858	771,469	-	-	771,469	408,233,389
A	Investment	2	403,700,519	2,359,207	-	406,059,726	2,836,201	3,535	-	2,839,736	403,219,990
BBB	Investment	2-	689,478,408	71,368,288	-	760,846,696	13,439,965	3,015,894	-	16,455,859	744,390,837
BB+	Standard	3+	349,300,318	6,023,540	4,879,778	360,203,636	3,687,685	96,589	1,532,708	5,316,982	354,886,653
BB	Standard	3	683,757,776	257,821,718	26,802,153	968,381,647	8,390,437	7,855,675	10,362,737	26,608,849	941,772,798
BB-	Standard	3-	132,017,214	19,112,206	-	151,129,419	6,576,718	945,194	-	7,521,912	143,607,508
B	Non-Investment	4	-	35,259	-	35,259	-	1,523	-	1,523	33,736
B-	Non-Investment	5	-	45,242,962	-	45,242,962	-	10,080,499	-	10,080,499	35,162,463
CCC	Non-Investment	6	-	-	108,242,642	108,242,642	-	-	31,510,853	31,510,853	76,731,789
C	Non-Investment	7	-	-	5,992,947	5,992,947	-	-	2,021,591	2,021,591	3,971,356
D	Non-Investment	8	-	-	16,139,913	16,139,913	-	-	5,953,025	5,953,025	10,186,888
			2,840,420,516	**401,963,180**	**162,057,433**	**3,404,441,129**	**35,925,400**	**21,998,909**	**51,380,914**	**109,305,222**	**3,295,135,907**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	202,101,530	-	-	202,101,530	169,797	-	-	169,797	201,931,733
AA	Investment	2+	185,703,822	-	-	185,703,822	991,603	-	-	991,603	184,712,219
A	Investment	2	20,483,500	-	-	20,483,500	25,262	-	-	25,262	20,458,238
BBB	Investment	2-	-	-	-	-	-	-	-	-	-
BB+	Standard	3+	-	-	-	-	-	-	-	-	-
BB	Standard	3	846,237	-	-	846,237	19,149	-	-	19,149	827,088
BB-	Standard	3-	-	-	-	-	-	-	-	-	-
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
B-	Non-Investment	5	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	-	-	-	-	-	-	-
C	Non-Investment	7	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	160,826	160,826	-	-	68,966	68,966	91,860
			409,135,089	**-**	**160,826**	**409,295,915**	**1,205,811**	**-**	**68,966**	**1,274,778**	**408,021,138**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	460,898,183	-	-	460,898,183	165,807	-	-	165,807	460,732,376
A	Investment	2	3,170,911	-	-	3,170,911	1,230	-	-	1,230	3,169,681
BB	Standard	3	1,398,571,303	-	-	1,398,571,303	282,191	-	-	282,191	1,398,289,112
B	Non-Investment	4	4,878,406	8,038,368	-	12,916,774	109,484	929,048	-	1,038,532	11,878,242
B-	Non-Investment	5				-				-	-
CCC	Non-Investment	6				-	-	-	-	-	-
C	Non-Investment	7				-	-	-	-	-	-
D	Non-Investment	8				-	-	-	-	-	-
			1,867,518,803	**8,038,368**	**-**	**1,875,557,171**	**558,712**	**929,048**	**-**	**1,487,760**	**1,874,069,411**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal June 2021	Fair Value June 2021
AAA-A	Investment	1	1,276,246,154	178,706,259
AA	Investment	2+	41,532,806	(539,666)
A	Investment	2	107,052,513	(2,213,166)
BBB	Investment	2-	112,477,754	(378,509)
BB+	Standard	3+	22,117,173	6,070
BB	Standard	3	28,392,854	(26,611)
BB-	Standard	3-	17,849,026	455,646
Gross amount			**1,605,668,280**	**176,010,023**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

Other Assets

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying
AAA	Investment	1	1,529,642,251	-	-	1,529,642,251	91,209	-	-	91,209	1,529,551,041
AA	Investment	2+	6,006,537	-	-	6,006,537	4,185	-	-	4,185	6,002,352
A	Investment	2	23,619,432	-	-	23,619,432	4,028	-	-	4,028	23,615,404
BBB	Investment	2-	36,972,412	-	-	36,972,412	14,655	-	-	14,655	36,957,757
BB+	Standard	3+	15,661,681	-	-	15,661,681	93,835	-	-	93,835	15,567,846
BB	Standard	3	-	21,051,139	-	21,051,139	-	2,023,056	-	2,023,056	19,028,083
BB-	Standard	3-	-	-	-	-	-	-	-	-	-
			1,611,902,313	**21,051,139**	**-**	**1,632,953,452**	**207,912**	**2,023,056**	**-**	**2,230,968**	**1,630,722,484**

Bank
June 2021
In thousands of Naira

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	496,985	-	-	496,985	39,891	-	-	39,891	457,094
BB	Standard	3	97,586,572	8,817,720	-	106,404,292	5,281,906	806,915	-	6,088,820	100,315,472
BB-	Standard	3-	3,684,672	315,249	-	3,999,921	288,932	21,747	-	310,678	3,689,242
B	Non-Investment	4	-	26,015	-	26,015	-	1,169	-	1,169	24,847
B-	Non-Investment	5	-	24,289	-	24,289	-	4,497	-	4,497	19,792
CCC	Non-Investment	6	-	-	8,818,478	8,818,478	-	-	3,494,236	3,494,236	5,324,240
C	Non-Investment	7	-	-	402,152	402,152	-	-	165,391	165,391	236,761
D	Non-Investment	8	-	-	3,252,145	3,252,145	-	-	1,377,109	1,377,109	1,875,038
Carrying amount			**101,768,229**	**9,183,273**	**12,472,775**	**123,424,277**	**5,610,728**	**834,328**	**5,036,736**	**11,481,791**	**111,942,481**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	173,161,423	-	-	173,161,423	222,925	-	-	222,925	172,938,500
AA	Investment	2+	409,004,858	-	-	409,004,858	771,469	-	-	771,469	408,233,389
A	Investment	2	309,343,221	2,359,207	-	311,702,428	799,348	3,535	-	802,884	310,899,544
BBB	Investment	2-	689,478,408	71,368,288	-	760,846,696	13,439,965	3,015,894	-	16,455,859	744,390,837
BB+	Standard	3+	349,300,318	6,023,540	4,879,778	360,203,637	3,687,685	96,589	1,532,708	5,316,982	354,886,655
BB	Standard	3	578,232,222	257,821,718	26,802,153	862,856,093	7,881,224	7,855,675	10,362,737	26,099,636	836,756,457
BB-	Standard	3-	132,017,214	19,112,206	-	151,129,421	6,576,718	945,194	-	7,521,912	143,607,510
B	Non-Investment	4	-	35,259	-	35,259	-	1,523	-	1,523	33,736
B-	Non-Investment	5	-	17,652	-	17,652	-	1,223	-	1,223	16,429
CCC	Non-Investment	6	-	-	21,755,257	21,755,257	-	-	6,312,663	6,312,663	15,442,594
C	Non-Investment	7	-	-	5,992,947	5,992,947	-	-	2,021,591	2,021,591	3,971,356
D	Non-Investment	8	-	-	16,139,913	16,139,913	-	-	5,953,025	5,953,025	10,186,888
			2,640,537,665	**356,737,871**	**75,570,047**	**3,072,845,583**	**33,379,333**	**11,919,634**	**26,182,724**	**71,481,691**	**3,001,363,891**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	-	-	-	-	-	-	-	-	-
AA	Investment	2+	185,703,822	-	-	185,703,822	991,603	-	-	991,603	184,712,219
A	Investment	2	20,483,500	-	-	20,483,500	25,262	-	-	25,262	20,458,238
BB	Standard	3	846,237	-	-	846,237	19,149	-	-	19,149	827,088
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	160,826	160,826	-	-	68,966	68,966	91,860
			207,033,559	**-**	**160,826**	**207,194,385**	**1,036,014**	**-**	**68,966**	**1,104,980**	**206,089,407**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
A	Investment	2	3,170,911	-	-	3,170,911	1,230	-	-	1,230	3,169,681
BB	Standard	3	1,398,571,303	-	-	1,398,571,303	282,191	-	-	282,191	1,398,289,112
B	Non-Investment	4	4,878,406	7,482,672	-	12,361,078	109,484	929,048	-	1,038,532	11,322,546
CCC	Non-Investment	6	-	-	-	-	-	-	-	-	-
			1,406,620,620	**7,482,672**	**-**	**1,414,103,293**	**392,905**	**929,048**	**-**	**1,321,953**	**1,412,781,339**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal June 2021	Fair Value June 2021
AAA-A	Investment	1	1,259,685,712	178,205,401
AA	Investment	2+	24,972,363	(1,040,524)
A	Investment	2	90,492,071	(2,714,024)
BBB	Investment	2-	95,917,311	(879,367)
BB+	Standard	3+	5,556,730	(494,788)
BB	Standard	3	11,832,412	(527,470)
BB-	Standard	3-	1,288,583	(45,213)
Gross amount			**1,489,745,184**	**172,504,015**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

Other Assets

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying
AAA	Investment	1	1,458,699,383	-	-	1,458,699,383	80,612	-	-	80,612	1,458,618,771
AA	Investment	2+	5,727,962	-	-	5,727,962	3,699	-	-	3,699	5,724,263
A	Investment	2	22,523,992	-	-	22,523,992	3,560	-	-	3,560	22,520,432
BBB	Investment	2-	35,257,678	-	-	35,257,678	12,952	-	-	12,952	35,244,726
BB+	Standard	3+	14,935,313	-	-	14,935,313	82,933	-	-	82,933	14,852,380
BB	Standard	3	-	20,074,814	-	20,074,814	-	1,788,005	-	1,788,005	18,286,809
			1,537,144,327	**20,074,814**	**-**	**1,557,219,141**	**183,755**	**1,788,005**	**-**	**1,971,760**	**1,555,247,381**

5.1. Credit quality
(c) Credit quality by risk rating class

Group

In thousands of Naira
December 2020

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	475,341	13,094	-	488,435	1,522	98	-	1,620	486,815
BB	Standard	3	181,334,482	12,460,551	-	193,795,033	493,605	424,015	-	917,620	192,877,414
BB-	Standard	3-	4,245,191	416,875	-	4,662,066	134,607	7,394	-	142,001	4,520,065
B	Non-Investment	4	-	54,324	-	54,324	-	9,381	-	9,381	44,943
B-	Non-Investment	5	-	345,847	-	345,847	-	320,157	-	320,157	25,693
CCC	Non-Investment	6	-	-	6,888,825	6,888,825	-	-	2,012,556	2,012,556	4,876,270
C	Non-Investment	7	-	-	471,346	471,346	-	-	96,965	96,965	374,381
D	Non-Investment	8	-	-	2,598,102	2,598,102	-	-	511,755	511,755	2,086,348
Carrying amount			**186,055,014**	**13,290,691**	**9,958,273**	**209,303,978**	**629,734**	**761,045**	**2,621,276**	**4,012,055**	**205,291,929**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	143,495,419	-	-	143,495,419	214,971	-	-	214,971	143,280,448
AA	Investment	2+	280,976,157	43,530,087	-	324,506,244	455,065	3,606,001	-	4,061,066	320,445,177
A	Investment	2	346,719,174	24,810,840	-	371,530,014	2,785,685	646,770	-	3,432,455	368,097,558
BBB	Investment	2-	750,636,277	1,363,688	-	751,999,965	13,595,219	73,963	-	13,669,182	738,330,782
BB+	Standard	3+	290,256,529	12,174,547	-	302,431,076	1,889,266	2,082,846	-	3,972,112	298,458,964
BB	Standard	3	631,194,806	307,585,837	-	938,780,643	7,404,751	37,547,266	-	44,952,018	893,828,626
BB-	Standard	3-	102,811,892	61,003,519	-	163,815,410	5,644,935	5,879,639	-	11,524,573	152,290,838
B	Non-Investment	4	-	1,426,987	-	1,426,987	-	395,965	-	395,965	1,031,022
B-	Non-Investment	5	-	8,727,046	-	8,727,046	-	7,998,254	-	7,998,254	728,793
CCC	Non-Investment	6	-	-	60,471,259	60,471,259	-	-	22,785,822	22,785,822	37,685,437
C	Non-Investment	7	-	-	81,073,585	81,073,585	-	-	29,945,749	29,945,749	51,127,837
D	Non-Investment	8	-	-	9,599,636	9,599,636	-	-	2,090,016	2,090,016	7,509,620
			2,546,090,254	**460,622,551**	**151,144,480**	**3,157,857,285**	**31,989,892**	**58,230,704**	**54,821,586**	**145,042,182**	**3,012,815,101**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	393,326,719	-	-	393,326,719	599,195	-	-	599,195	392,727,523
A	Investment	2	-	-	-	-	-	-	-	-	-
BB	Standard	3	6,411	-	-	6,411	188	-	-	188	6,224
BB-	Standard	3-	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	140,061	140,061	-	-	52,501	52,501	87,560
			393,333,130	**-**	**140,061**	**393,473,191**	**599,383**	**-**	**52,501**	**651,884**	**392,821,308**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	319,754,160	-	-	319,754,160	54,518	-	-	54,518	319,699,642
A	Investment	2	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,229
BB	Standard	3	1,229,097,842	-	-	1,229,097,842	344,654	-	-	344,654	1,228,753,188
B	Non-Investment	4	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202
CCC	Non-Investment	6	-	-	472,288	472,288	-	-	472,288	472,288	-
			1,606,136,666	**-**	**472,288**	**1,606,608,954**	**490,405**	**-**	**472,288**	**962,693**	**1,605,646,260**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2020	Fair Value December 2020
AAA	Investment	1	1,193,683,908	234,393,567
AA	Investment	2+	22,463,275	350,092
A	Investment	2	115,473,350	(6,548,527)
BBB	Investment	2-	46,562,406	(1,127,670)
BB+	Standard	3+	17,697,777	903,439
BB	Standard	3	20,801,337	1,657,656
BB-	Standard	3-	17,143,647	863,634
B	Non-Investment	4	-	-
Gross amount			**1,433,825,701**	**230,492,191**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

Bank
December 2020
In thousands of Naira

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	475,341	13,094	-	488,434	1,522	98	-	1,620	486,814
BB	Standard	3	83,072,822	12,460,551	-	95,533,373	433,582	424,015	-	857,597	94,675,777
BB-	Standard	3-	4,245,191	416,875	-	4,662,066	134,607	7,394	-	142,000	4,520,065
B	Non-Investment	4	-	54,324	-	54,324	-	9,381	-	9,381	44,945
B-	Non-Investment	5	-	9,821	-	9,821	-	32	-	32	9,790
CCC	Non-Investment	6	-	-	4,929,527	4,929,527	-	-	1,212,244	1,212,244	3,717,282
C	Non-Investment	7	-	-	471,346	471,346	-	-	96,965	96,965	374,381
D	Non-Investment	8	-	-	2,598,102	2,598,102	-	-	511,755	511,755	2,086,348
Carrying amount			**87,793,354**	**12,954,665**	**7,998,975**	**108,746,993**	**569,711**	**440,920**	**1,820,964**	**2,831,594**	**105,915,392**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	143,495,419	-	-	143,495,419	214,971	-	-	214,971	143,280,449
AA	Investment	2+	280,976,157	43,530,087	-	324,506,243	455,065	3,606,001	-	4,061,066	320,445,177
A	Investment	2	261,988,325	24,810,840	-	286,799,165	1,233,080	646,770	-	1,879,851	284,919,314
BBB	Investment	2-	750,636,277	1,363,688	-	751,999,964	13,595,219	73,963	-	13,669,182	738,330,782
BB+	Standard	3+	290,256,529	12,174,547	-	302,431,076	1,889,266	2,082,846	-	3,972,112	298,458,965
BB	Standard	3	438,153,417	307,585,837	-	745,739,254	7,016,600	37,547,266	-	44,563,866	701,175,387
BB-	Standard	3-	102,811,892	61,003,519	-	163,815,412	5,644,935	5,879,639	-	11,524,573	152,290,840
B	Non-Investment	4	-	1,426,987	-	1,426,987	-	395,965	-	395,965	1,031,022
B-	Non-Investment	5	-	1,273,477	-	1,273,477	-	315,259	-	315,259	958,218
CCC	Non-Investment	6	-	-	17,011,057	17,011,057	-	-	3,578,335	3,578,335	13,432,723
C	Non-Investment	7	-	-	81,073,585	81,073,585	-	-	29,945,749	29,945,749	51,127,837
D	Non-Investment	8	-	-	9,599,636	9,599,636	-	-	2,090,016	2,090,016	7,509,620
			2,268,318,016	**453,168,982**	**107,684,278**	**2,829,171,275**	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**	**2,712,960,334**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	231,940,426	-	-	231,940,426	245,933	-	-	245,933	231,694,492
BB	Standard	3	6,411	-	-	6,411	188	-	-	188	6,224
D	Non-Investment	8	-	-	140,061	140,061	-	-	52,501	52,501	87,560.28
			231,946,837	**-**	**140,061**	**232,086,898**	**246,121**	**-**	**52,501**	**298,622**	**231,788,276**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount

AAA	Investment	1	-	-	-	-	-	-	-	-	-
A	Investment	2	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,228
BB	Standard	3	1,229,097,842	-	-	1,229,097,842	344,654	-	-	344,654	1,228,753,188
B	Non-Investment	4	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202
CCC	Non-Investment	6	-	-	472,288	472,288	-	-	472,288	472,288	-
			1,286,382,506	**-**	**472,288**	**1,286,854,794**	**435,887**	**-**	**472,288**	**908,175**	**1,285,946,618**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2020	Fair Value December 2020
AAA-A	Investment	1	1,177,123,466	233,473,011
A	Investment	2+	5,902,833	(570,464)
AA	Investment	2	98,912,907	(7,469,082)
BBB	Investment	2-	30,001,963	(2,048,226)
BB+	Standard	3+	1,137,335	(17,117)
BB	Standard	3	4,240,894	737,100
BB-	Standard	3-	583,204	(56,922)
Gross amount			**1,317,902,602**	**224,048,301**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies. These instruments are neither past due nor impaired

5.1.3 (d) The table below summarises the risk rating for other financial assets:

Group
In thousands of Naira

June 2021	**Total**	**Grade 1-3**	**Grade 4-5**	**Grade 6**	**Grade 7**	**Grade 8**
Cash and balances with banks						
Current balances with banks	227,357,566	227,357,566	-	-	-	-
Unrestricted balances with central banks	93,764,198	93,764,198	-	-	-	-
Money market placements	159,334,312	108,268,311	51,066,001			
Other deposits with central banks	110,570,581	110,570,581				
Investment under management	31,611,718	31,611,718	-	-	-	-
Non-pledged trading assets						
Treasury bills	61,602,125	61,602,125	-	-	-	-
Bonds	76,372,433	76,372,433	-	-	-	-
Derivative financial instruments	187,122,508	187,122,508	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	11,714,103	11,714,103	-	-	-	-
Bonds	-	-				
-Financial instruments at amortized cost						
Treasury bills	163,046,971	163,046,971	-	-	-	-
Bonds	37,787,758	37,787,758	-	-	-	-
Promissory Notes	43,847,608	43,847,608	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	-	-	-	-	-	-
Bonds	422,169	422,169	-	-	-	-
Investment securities						
-Financial instruments at FVOCI						
Treasury bills	288,062,819	288,062,819	-	-	-	-
Bonds	221,303,331	217,059,982	4,243,349	-	-	-
Promissory Notes	7,509,391	7,509,391	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	981,106,252	981,106,252	-	-	-	-
Bonds	367,764,885	359,647,156	8,117,729	-	-	-
Total return notes	-	-	-	-	-	-
Promissory Notes	9,810,494	9,810,494	-	-	-	-
Restricted deposit and other assets	1,630,239,005	1,630,239,005	-	-	-	-
	4,710,350,227	**4,646,923,148**	**63,427,079**	**-**	**-**	**-**

The rating here represents internal grade ratings

Group
In thousands of Naira

December 2020	**Total**	**Grade 1-3**	**Grade 4-5**	**Grade 6**	**Grade 7**	**Grade 8**
Cash and balances with banks						
Current balances with banks	60,388,887	60,388,887	-	-	-	-
Restricted deposits with central banks	-	-	-	-	-	-
Unrestricted balances with central banks	51,127,105	51,127,105	-	-	-	-
Money market placements	76,658,240	68,639,186	8,019,055	-	-	-
Other deposits with central banks	46,459,022	46,459,022	-	-	-	-
Investment under management	30,451,466	30,451,466	-	-	-	-
Non-pledged trading assets						
Treasury bills	116,036,126	116,036,126	-	-	-	-
Bonds	91,915,817	91,915,817	-	-	-	-
Derivative financial instruments	251,112,745	251,112,745	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-
-Financial instruments at amortized cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	748,230,225	748,230,225	-	-	-	-
Bonds	218,849,603	213,854,602	4,995,001	-	-	-
Promissory Notes	80,033,790	80,033,790	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	237,078,312	237,078,312	-	-	-	-
Bonds	276,469,444	274,924,083	1,073,074	472,288	-	-
Total return notes	45,527,717	45,527,717	-	-	-	-
Promissory Notes	427,536	427,536	-	-	-	-
Restricted deposit and other assets	1,522,315,074	1,522,315,074	-	-	-	-
	4,081,636,014	**4,067,076,608**	**14,087,130**	**472,288**	**-**	**-**

The table below summarises the risk rating for other financial assets:

Bank
In thousands of Naira
June 2021

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	81,052,573	81,052,573	-	-	-	-
Unrestricted balances with central banks	32,912,351	32,912,351	-	-	-	-
Money market placements	101,038,665	49,972,664	51,066,001	-	-	-
Other deposits with central banks	110,570,581	110,570,581	-	-	-	-
Investment under management	31,611,718	31,611,718	-	-	-	-
Non-pledged trading assets						
Treasury bills	42,527,338	42,527,338	-	-	-	-
Bonds	2,746,465	2,746,465	-	-	-	-
Derivative financial instruments	182,269,354	182,269,354	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	11,714,103	11,714,103	-	-	-	-
Bonds	-	-				
-Financial instruments at amortized cost						
Treasury bills	163,046,971	163,046,971	-	-	-	-
Bonds	37,787,758	37,787,758	-	-	-	-
Promissory Notes	43,847,608	43,847,608	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	-	-	-	-	-	-
Bonds	422,169	422,169	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	133,494,452	133,494,452	-	-	-	-
Bonds	43,987,179	39,743,830	4,243,349	-	-	-
Promissory Notes	7,509,391	7,509,391	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	900,927,564	900,927,564	-	-	-	-
Bonds	318,374,211	310,256,482	8,117,729	-	-	-
Total return notes	-	-	-	-	-	-
Promissory Notes	9,810,495	9,810,495	-	-	-	-
Restricted deposit and other assets	1,554,763,902	1,554,763,902	-	-	-	-
	3,810,414,847	**3,746,987,769**	**63,427,079**	**-**	**-**	**-**

The rating here represents internal grade ratings

Bank
In thousands of Naira
December 2020

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	43,353,005	43,353,005	-	-	-	-
Unrestricted balances with central banks	13,639,189	13,639,189	-	-	-	-
Money market placements	40,095,277	32,076,223	8,019,055	-	-	-
Other deposits with central banks	46,459,022	46,459,022	-	-	-	-
Investment under management	30,451,466	30,451,466	-	-	-	-
Non-pledged trading assets						
Treasury bills	97,719,848	97,719,848	-	-	-	-
Bonds	12,563,265	12,563,265	-	-	-	-
Derivative financial instruments	244,564,046	244,564,046	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-
-Financial instruments at amortized cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	608,866,687	-	-	-	-
Bonds	106,924,656	101,929,655	4,995,001	-	-	-
Promissory Notes	80,033,790	80,033,790	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	194,302,056	194,302,056	-	-	-	-
Bonds	250,772,348	249,226,987	1,073,074	472,288	-	-
Total return notes	45,527,717	45,527,717	-	-	-	-
Promissory Notes	427,537	427,537	-	-	-	-
Restricted deposit and other assets	1,471,481,477	1,471,481,477	-	-	-	-
	3,515,736,293	**3,501,176,875**	**14,087,130**	**472,288**	**-**	**-**

5.1.3 Credit quality
(e) Credit quality by staging

Group
In thousands of Naira
June 2021
Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	19,050,839	98,181	118,592	19,267,612	151,855	8,248	50,019	210,122	19,057,489
Credit Card	21,901,402	3,102,106	433,280	25,436,789	1,677,576	319,166	128,740	2,125,482	23,311,306
Finance Lease	853,438	145,836	227,148	1,226,422	50,147	11,980	84,345	146,472	1,079,950
Mortgage Loan	123,476,023	291,693	548,464	124,316,180	341,407	21,081	232,701	595,189	123,720,992
Overdraft	6,292,052	2,949,782	4,906,752	14,148,585	367,550	240,366	2,081,733	2,689,649	11,458,936
Personal Loan	83,281,059	961,904	3,533,849	87,776,811	2,117,639	94,644	1,344,373	3,556,655	84,220,157
Term Loan	14,571,933	1,623,639	2,393,521	18,589,093	875,690	154,478	983,757	2,013,925	16,575,168
Time Loan	3,595,695	2,274,416	4,210,242	10,080,354	107,609	404,337	1,180,991	1,692,936	8,387,417
	273,022,441	11,447,557	16,371,848	300,841,846	5,689,473	1,254,290	6,086,669	13,030,430	287,811,415

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,881,697	55,017	216,943	2,153,658	46,036	1,550	26,023	73,609	2,080,048
Credit Card	277,720	-	11,397	289,117	5,446	-	3,724	9,170	279,946
Finance Lease	1,410,988	235,852	532,923	2,179,763	26,749	32,198	149,643	208,589	1,971,176
Mortgage Loan	39,976,571	180,901	345,950	40,503,421	509,213	40,317	100,793	650,323	39,853,099
Overdraft	192,246,221	87,537,281	38,780,882	318,564,384	4,139,505	4,588,113	13,026,820	21,754,438	296,809,944
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	2,136,821,740	302,744,290	118,533,429	2,558,099,460	29,644,001	17,084,325	37,099,504	83,827,830	2,474,271,630
Time Loan	467,805,581	11,209,839	3,635,908	482,651,329	1,554,449	252,406	974,408	2,781,264	479,870,064
	2,840,420,518	401,963,180	162,057,432	3,404,441,132	35,925,409	21,998,909	51,380,915	109,305,224	3,295,135,905

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	846,237	-	160,826	1,007,064	19,149	-	68,966	88,115	918,949
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	408,288,851	-	-	408,288,852	1,186,663	-	-	1,186,663	407,102,189
	409,135,088	-	160,826	409,295,916	1,205,812	-	68,966	1,274,778	408,021,138

There is no stage 3 exposure that has nill impairment for the year for the Group (Dec 2019: N3.02Bn). The impairment is nil for these category of loans because of the adequate coverage offered by the collateral.

Bank
In thousands of Naira
June 2021
Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,925,418	95,917	114,693	2,136,028	143,981	7,828	48,969	200,779	1,935,247
Credit Card	19,332,589	3,097,578	425,482	22,855,649	1,676,395	318,326	126,641	2,121,361	20,734,286
Finance Lease	682,184	139,043	215,451	1,036,677	50,068	10,720	81,196	141,985	894,693
Mortgage Loan	3,598,074	282,636	532,868	4,413,577	286,286	19,401	228,502	534,190	3,879,388
Overdraft	5,521,408	2,927,139	4,867,761	13,316,307	367,196	236,166	2,071,234	2,674,596	10,641,712
Personal Loan	55,880,385	916,619	3,455,868	60,252,870	2,105,040	86,244	1,323,375	3,514,659	56,738,211
Term Loan	13,030,646	1,589,675	2,335,035	16,955,355	874,981	148,178	968,008	1,991,168	14,964,188
Time Loan	1,797,526	134,666	525,618	2,457,809	106,782	7,466	188,812	303,059	2,154,750
	101,768,220	9,183,273	12,472,776	123,424,272	5,610,729	834,339	5,036,737	11,481,797	111,942,475

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,881,697	55,017	216,943	2,153,658	46,036	1,550	26,023	73,609	2,080,048
Credit Card	277,520	-	11,397	288,916	5,443	-	3,724	9,167	279,749
Finance Lease	1,211,105	100,176	273,461	1,584,741	24,203	1,960	74,048	100,211	1,484,530
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	180,253,249	87,085,028	37,916,009	305,254,286	3,986,741	4,487,320	12,774,838	21,248,899	284,005,387
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,995,104,998	258,966,190	34,813,640	2,288,884,827	27,838,842	7,327,586	12,707,656	47,874,085	2,241,010,745
Time Loan	461,809,095	10,531,460	2,338,598	474,679,152	1,478,067	101,217	596,436	2,175,719	472,503,433
	2,640,537,664	356,737,871	75,570,048	3,072,845,580	33,379,332	11,919,633	26,182,725	71,481,690	3,001,363,892

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	846,237	-	160,826	1,007,064	19,149	-	68,966	88,115	918,949
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	206,187,322	-	-	206,187,322	1,016,865	-	-	1,016,865	205,170,456
	207,033,559	-	160,826	207,194,386	1,036,014	-	68,966	1,104,980	206,089,405

There is no stage 3 exposure that has nill impairment for the period for the Group (Dec 2020: N3.02Bn). The impairment is nil for these category of loans because of the adequate coverage offered by the collateral.

5.1.3 Credit quality
(e) Credit quality by staging

Group
In thousands of Naira
December 2020

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	11,915,759	145,912	69,602	12,131,274	14,642	1,534	17,738	33,914	12,097,359
Credit Card	19,646,977	3,770,508	391,463	23,808,948	33,798	287,593	107,570	428,961	23,379,987
Finance Lease	1,109,055	328,230	144,451	1,581,736	6,040	3,889	37,098	47,028	1,534,708
Mortgage Loan	71,150,409	426,442	364,098	71,940,949	51,007	20,260	92,406	163,672	71,777,278
Overdraft	5,608,133	3,823,805	3,171,125	12,603,063	320,922	44,057	609,495	974,474	11,628,590
Personal Loan	26,417,040	1,648,218	1,825,121	29,890,377	54,815	32,956	459,480	547,250	29,343,127
Term Loan	46,460,377	2,643,668	1,726,158	50,830,203	114,179	66,592	436,912	617,683	50,212,520
Time Loan	3,747,264	503,907	2,266,254	6,517,424	34,332	304,163	860,577	1,199,071	5,318,353
	186,055,014	13,290,690	9,958,272	209,303,974	629,735	761,044	2,621,276	4,012,053	205,291,922

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,750,272	96,060	156,301	2,002,632	14,980	564	19,605	35,150	1,967,482
Credit Card	279,414	610	11,317	291,342	2,724	19	3,064	5,808	285,532
Finance Lease	2,081,872	302,550	281,316	2,665,738	22,682	24,727	98,333	145,741	2,519,999
Mortgage Loan	55,554,448	29,814	173,841	55,758,103	388,151	30,732	76,830	495,713	55,262,391
Overdraft	173,439,650	81,849,095	86,325,238	341,613,983	3,931,269	18,981,311	29,612,290	52,524,869	289,089,112
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,983,535,802	327,088,424	59,469,674	2,370,093,901	26,533,535	33,979,455	23,388,994	83,901,984	2,286,191,917
Time Loan	329,448,797	51,255,997	4,726,795	385,431,590	1,096,552	5,213,896	1,622,470	7,932,919	377,498,670
	2,546,090,255	460,622,550	151,144,482	3,157,857,289	31,989,893	58,230,704	54,821,586	145,042,184	3,012,815,103

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-	-	-	-
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	393,333,130	-	140,061	393,473,192	599,383	-	52,501	651,884	392,821,307
	393,333,130	-	140,061	393,473,192	599,383	-	52,501	651,884	392,821,307

Bank
In thousands of Naira
December 2020
Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,089,593	145,576	67,643	2,302,812	8,640	1,214	16,937	26,792	2,276,019
Credit Card	18,173,052	3,769,836	387,545	22,330,433	32,897	286,953	105,970	425,820	21,904,612
Finance Lease	1,010,793	327,222	138,573	1,476,588	5,980	2,929	34,697	43,608	1,432,981
Mortgage Loan	2,367,247	425,098	356,261	3,148,606	8,990	18,979	89,204	117,175	3,031,431
Overdraft	5,165,955	3,820,445	3,151,532	12,137,933	320,652	40,856	601,492	962,999	11,174,933
Personal Loan	10,695,174	1,641,497	1,785,935	14,122,605	45,211	26,554	443,474	515,239	13,607,366
Term Loan	45,576,022	2,638,628	1,696,769	49,911,419	113,639	61,790	424,907	600,336	49,311,083
Time Loan	2,715,516	186,362	414,718	3,316,595	33,702	1,645	104,282	139,628	3,176,967
	87,793,354	12,954,664	7,998,976	108,746,991	569,711	440,920	1,820,963	2,831,597	105,915,382

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,750,272	96,060	156,301	2,002,632	14,980	564	19,605	35,150	1,967,482
Credit Card	279,136	610	11,317	291,063	2,722	19	3,064	5,805	285,258
Finance Lease	1,804,100	280,190	150,935	2,235,224	20,741	1,678	40,711	63,130	2,172,094
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	156,773,316	81,774,560	85,890,636	324,438,511	3,814,823	18,904,481	29,420,215	52,139,519	272,298,992
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,786,595,563	319,873,369	17,400,198	2,123,869,129	25,157,541	26,542,316	4,796,147	56,496,003	2,067,373,129
Time Loan	321,115,630	51,144,194	4,074,892	376,334,715	1,038,329	5,098,651	1,334,358	7,471,338	368,863,377
	2,268,318,017	453,168,983	107,684,279	2,829,171,274	30,049,136	50,547,709	35,614,100	116,210,945	2,712,960,332

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-	-	-	-
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	231,946,837	-	140,061	232,086,898	246,121	-	52,501	298,622	231,788,276
	231,946,837	-	140,061	232,086,898	246,121	-	52,501	298,622	231,788,276

5.1.3 (g) Disclosure of Collateral held against loans and advances to customers by fair value hierarchy

Group

In thousands of Naira — **June 2021**

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	273,022,441	11,447,557	16,371,848
ECL	(5,689,473)	(1,254,290)	(6,086,669)
Collateral held at fair value			
Property	197,075,171	12,191,939	11,092,693
Cash	10,843,287	1,436,268	-
Pledged goods/receivables	11,695,263	203,603	55,456
Others	55,208,153	230,387	7,240,144
Total	**274,821,874**	**14,062,197**	**18,388,293**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	2,840,420,518	401,963,180	162,057,432
ECL	(35,925,409)	(21,998,909)	(51,380,915)
Collateral held at fair value			
Property	1,758,853,615	421,395,910	113,763,793
Cash	552,197,586	1,590,801	962,622
Pledged goods/receivables	52,033,225	20,155,357	6,154,932
Others	4,436,629,495	215,919,538	48,974,100
Total	**6,799,713,921**	**659,061,606**	**169,855,447**
Total collateral held at fair value	**7,074,535,794**	**673,123,804**	**188,243,740**

Bank

In thousands of Naira — **June 2021**

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	101,768,220	9,183,273	12,472,776
ECL	(5,610,729)	(834,339)	(5,036,737)
Collateral held at fair value			
Property	75,798,143	9,378,415	9,993,417
Cash	9,036,072	1,048,371	-
Pledged goods/receivables	6,155,401	166,888	52,815
Others	14,528,461	209,443	3,810,602
Total	**105,518,077**	**10,803,117**	**13,856,834**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	2,640,537,664	356,737,871	75,570,048
ECL	(33,379,332)	(11,919,633)	(26,182,725)
Collateral held at fair value			
Property	1,034,619,773	150,498,539	34,017,221
Cash	197,213,423	568,143	343,794
Pledged goods/receivables	18,583,295	7,198,342	1,043,209
Others	2,957,752,997	93,878,060	14,404,147
Total	**4,208,169,488**	**252,143,084**	**49,808,371**
Total	**4,313,687,565**	**262,946,202**	**63,665,205**

[1] Collateral types included in others are All Asset debentures, Domiciliation, Counter Indemnity, Authority to collect,Irrevocable standing payment order, Guarantees

Collateral held and other credit enhancements, and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional consideration in the credit process and the Group generally requests that corporate borrowers provide collateral. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. The Bank will sell or repossess a pledged collateral only in the event of a default and after exploring other means of repayment. In addition to the Group's focus on creditworthiness, the Group aligns with its Credit Policy Guide to periodically review the valuations of collaterals held against all loans to customers. This is done in line with the approved Framework for valuing various categories of collateral accepted by the Bank.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the bank. The valuation technique adopted for properties are based on fair values of similar properties in the neighborhood.
The fair values of non-property collaterals (such as equities, bond, treasury bills, etc.) are determined with reference to market quoted prices or market values of similar instruments.

There are no collaterals held against other financial assets. The Group obtained a property during the year by taking possession of collateral held as security against a loan. 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. Hence, the repossessed collateral has been included in assets classified as held for sale (Note 31).

5.1.3 (g) Disclosure of Collateral held against loans and advances to customers by fair value hierarchy

Group — December 2020
In thousands of Naira

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	186,055,014	13,290,691	9,958,273
ECL	(629,734)	(761,045)	(2,621,276)
Collateral held at fair value			
Property	14,131,647	16,199,436	4,633,141
Equities	158,970	-	-
Cash	1,935,687	433,924	-
Pledged goods/receivables	93,604,918	17,992,936	9,265,868
Others	79,869,809	27,681,391	40,111,815
Total	**189,701,031**	**62,307,687**	**54,010,824**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	2,546,090,254	460,622,551	151,144,481
ECL	(31,989,893)	(58,230,704)	(54,821,587)
Collateral held at fair value			
Property	1,159,627,977	290,282,773	58,561,393
Equities	173,439,663	26,557,611	323,693
Cash	183,493,313	3,780,514	-
Pledged goods/receivables	2,696,212,541	424,208,613	130,768,719
Others	5,318,056,898	637,593,544	228,108,573
Total	**9,530,830,392**	**1,382,423,055**	**417,762,378**
Total collateral held at fair value	**9,720,531,422**	**1,444,730,742**	**471,773,202**

Bank — December 2020
In thousands of Naira

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	87,793,354	12,954,665	7,998,975
ECL	(569,711)	(440,920)	(1,820,964)
Collateral held at fair value			
Property	10,094,033	11,738,721	4,211,946
Equities	132,475	-	-
Cash	1,290,458	361,603	-
Pledged goods/receivables	49,265,747	14,056,981	8,824,636
Others	36,304,459	16,283,171	33,426,513
Total	**97,087,172**	**42,440,476**	**46,463,095**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	2,268,318,016	453,168,982	107,684,279
ECL	(30,049,136)	(50,547,709)	(35,614,100)

Collateral held at fair value			
Property	623,455,902	167,793,511	48,801,161
Equities	144,533,052	19,672,305	239,772
Cash	110,538,140	2,681,216	-
Pledged goods/receivables	1,997,194,475	279,084,614	108,973,933
Others	2,954,476,055	535,792,894	168,969,314
Total	**5,830,197,624**	**1,005,024,540**	**326,984,180**
Total collateral held at fair value	**5,927,284,796**	**1,047,465,016**	**373,447,275**

There are no collaterals held against other financial assets. The Group obtained a property during the year by taking possession of collateral held as security against a loan. 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. Hence, the repossessed collateral has been included in assets classified as held for sale (Note 31).

Collateral held and other credit enhancements, and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional consideration in the credit process and the Group generally requests that corporate borrowers provide collateral. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. The Bank will sell or repossess a pledged collateral only in the event of a default and after exploring other means of repayment. In addition to the Group's focus on creditworthiness, the Group aligns with its Credit Policy Guide to yearically review the valuations of collaterals held against all loans to customers. This is done in line with the approved Framework for valuing various categories of collateral accepted by the Bank.

The fair values of collaterals are based upon last annual valuation undertaken by independent valuers on behalf of the bank. The valuation technique adopted for properties are based on fair values of similar properties in the neighborhood.
The fair values of non-property collaterals (such as equities, bond, treasury bills, etc.) are determined with reference to market quoted prices or market values of similar instruments.

5.1.5 (a) Credit concentration

The Group's risk profile is assessed through a 'bottom-up' analytical approach covering all of the Group's major businesses and products. The risk appetite is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix.

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of net credit risk at the reporting date is shown below:

Group

By Sector

June 2021

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	1,364,570,882	-	-	-	1,364,570,882
Investment under management	9,103,880	-	12,636,015	-	9,871,822	-	31,611,717
Non pledged trading assets							
Treasury bills	-	-	-	-	61,602,125	-	61,602,125
Bonds	-	-	11,396	-	76,361,037	-	76,372,433
Equity	-	-	-	-	-	-	-
Derivative financial instruments	18,111,505	6,148,473	25,139,505	941,625	126,681,434	-	177,022,542
Loans and advances to banks	-	-	408,021,137	-	-	-	408,021,137
Loans and advances to customers							
Auto Loan	111,316	1,968,732	-	19,057,490	-	-	21,137,538
Credit Card	18,043	261,905	-	23,311,306	-	-	23,591,254
Finance Lease	156,306	1,814,867	-	1,079,950	-	-	3,051,123
Mortgage Loan	-	39,853,098	-	123,720,991	-	-	163,574,089
Overdraft	80,416,779	216,393,167	-	11,458,936	-	-	308,268,882
Personal Loan	-	-	-	84,220,157	-	-	84,220,157
Term Loan	978,313,277	1,208,646,629	-	16,575,169	287,311,723	-	2,490,846,798
Time Loan	357,337,937	122,532,128	-	8,387,417	-	-	488,257,482
Pledged assets							
Treasury bills	-	-	-	-	256,396,440	-	256,396,440
Bonds	-	-	-	-	163,024,447	-	163,024,447
Promissory Notes	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	288,062,819	-	288,062,819
Bonds	-	-	-	-	221,303,331	-	221,303,331
Promissory Notes	-	-	-	-	7,509,391	-	7,509,391
-Financial assets at amortised cost						-	
Treasury bills	-	-	-	-	981,106,252	-	981,106,252
Total Return Notes	-	-	-	-	-	-	-
Bonds	13,280,566	-	-	354,484,321	-	-	367,764,887
Promissory Notes	-	-	-	-	9,810,494	-	9,810,494
Restricted deposit and other assets	7,707,491	1,317,881,102	185,821,137	319,384	18,051,333	100,942,038	1,630,722,485
Total	**1,464,557,100**	**2,915,500,101**	**1,996,200,072**	**643,556,746**	**2,507,092,648**	**100,942,038**	**9,627,848,703**
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	159,161,769	172,662,250	6,124,484	127,838,940	131,079	-	465,918,522
Clean line facilities for letters of credit and other commitments	23,298,814	54,471,421	270,260,465	6,899,088	-	-	354,929,788
Total	**182,460,583**	**227,133,670**	**276,384,949**	**134,738,029**	**131,079**	**-**	**820,848,310**

Group
By Sector

December 2020

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	723,872,820	-	-	-	723,872,820
Investment under management	6,916,492	-	13,495,537	-	10,039,437	-	30,451,466
Non pledged trading assets							
Treasury bills	-	-	-	-	116,036,126	-	116,036,126
Bonds	-	-	73,237	-	91,842,580	-	91,915,817
Equity	-	-	-	-	-	-	-
Derivative financial instruments	18,739,212	7,098,884	12,292,884	1,078,562	191,022,673	-	230,232,215
Loans and advances to banks	-	-	392,821,307	-	-	-	392,821,307
Loans and advances to customers							
Auto Loan	172,109	1,795,374	-	12,097,360	-	-	14,064,843
Credit Card	11,021	274,514	-	23,379,987	-	-	23,665,522
Finance Lease	98,888	2,421,109	-	1,534,708	-	-	4,054,704
Mortgage Loan	-	55,262,390	-	71,777,277	-	-	127,039,667
Overdraft	43,749,696	245,339,418	-	11,628,590	-	-	300,717,703
Personal Loan	-	-	-	29,343,127	-	-	29,343,127
Term Loan	948,006,957	1,102,724,902	-	50,212,521	235,460,056	-	2,336,404,437
Time Loan	245,842,915	131,655,755	-	5,318,353	-	-	382,817,024
Pledged assets							
Treasury bills	-	-	-	-	239,019,624	-	239,019,624
Bonds	-	-	-	-	44,451,010	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	748,230,225	-	748,230,225
Bonds	15,745,714	-	-	-	203,869,159	-	219,614,874
Promissory Notes	-	-	-	-	80,033,790	-	80,033,790
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	237,109,445	-	237,109,445
Total Return Notes	-	-	45,527,717	-	-	-	45,527,717
Bonds	970,014	-	-	276,469,985	-	-	277,440,000
Promissory Notes	-	-	-	-	427,536	-	427,536
Restricted deposit and other assets	81,727,070	1,274,397	106,851,694	8,738,628	1,315,372,083	8,351,203	1,522,315,073
Total	**1,361,980,088**	**1,547,846,743**	**1,294,935,196**	**491,579,098**	**3,512,913,744**	**8,351,203**	**8,217,606,073**

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	153,527,399	193,428,910	13,889,125	17,883,313	80,100	-	378,808,847
Clean line facilities for letters of credit and other commitments	184,714,070	231,959,009	6,525,379	22,340,486	-	-	445,538,945
	-	-	-	-	-	-	
Total	**338,241,469**	**425,387,918**	**20,414,504**	**40,223,800**	**80,100**	**-**	**824,347,792**

5.1.5(a)i Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.

By geography

Group
June 2021
In thousands of Naira

	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	389,824,008	704,877,557	269,869,317	-	1,364,570,882
Investment under management	16,130,037	5,221,004	10,260,677	-	31,611,718
Non pledged trading assets					
Treasury bills	42,527,338	19,074,787	-	-	61,602,125
Bonds	2,729,106	73,643,327	-	-	76,372,433
Equity	-	-	-	-	-
Derivative financial instruments	122,153,009	53,982,001	755,765	131,766	177,022,541
Loans and advances to banks	190,048,794	33,260,124	184,712,218	-	408,021,137
Loans and advances to customers					
Auto Loan	4,015,298	17,122,240	-	-	21,137,539
Credit Card	21,014,038	2,577,216	-	-	23,591,254
Finance Lease	2,379,224	671,898	-	-	3,051,123
Mortgage Loan	3,879,389	116,584,204	43,110,496	-	163,574,089
Overdraft	294,647,098	13,614,877	6,906	-	308,268,881
Personal Loan	56,738,212	27,481,944	-	-	84,220,157
Term Loan	2,255,974,931	42,936,780	191,935,087	-	2,490,846,799
Time Loan	474,658,184	8,141,521	5,457,777	-	488,257,482
Pledged assets					
Treasury bills	256,396,440	-	-	-	256,396,440
Bonds	163,024,447	-	-	-	163,024,447
Promissory Notes	-	-	-	-	-
Investment securities					
-Financial assets at FVOCI					
Treasury bills	133,494,452	154,568,366	-	-	288,062,820
Bonds	43,987,179	171,067,494	6,248,658	-	221,303,331
Promissory Notes	7,509,391	-	-	-	7,509,391
-Financial assets at amortised cost					
Treasury bills	900,927,564	80,178,688	-	-	981,106,252
Total Return Notes	-	-	-	-	-
Bonds	318,374,211	48,834,978	555,698	-	367,764,887
Promissory Notes	9,810,494	-	-	-	9,810,494
Restricted deposit and other assets	1,324,572,552	265,779,211	40,370,720	-	1,630,722,483
Total	**7,034,815,396**	**1,839,618,227**	**753,283,319**	**131,766**	**9,627,848,703**
Credit risk exposures relating to other credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	432,963,994	32,868,301	86,227	-	465,918,521
Clean line facilities for letters of credit and other commitments	333,759,988	19,094,976	2,074,824	-	354,929,787
Total	**766,723,982**	**51,963,277**	**2,161,051**	**-**	**820,848,308**

By geography

Group
December 2020
In thousands of Naira

	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	495,885,189	66,276,473	161,711,159	-	723,872,821
Investment under management	14,172,244	7,109,072	9,170,151	-	30,451,467
Non pledged trading assets					
Treasury bills	97,719,848	18,316,278	-	-	116,036,126
Bonds	12,563,265	79,352,553	-	-	91,915,818
Equity	-	-	-	-	-
Derivative financial instruments	179,999,227	39,713,567	10,256,418	263,003	230,232,214
Loans and advances to banks	16,227,012	44,645,306	331,948,990	-	392,821,307
Loans and advances to customers					
Auto Loan	4,243,504	9,821,339	-	-	14,064,843
Credit Card	22,189,872	1,475,650	-	-	23,665,522
Finance Lease	3,605,077	449,628	-	-	4,054,704
Mortgage Loan	3,031,432	81,587,341	42,420,893	-	127,039,667
Overdraft	283,473,925	17,243,155	623	-	300,717,702
Personal Loan	13,607,367	15,735,760	-	-	29,343,127
Term Loan	2,116,684,210	10,674,102	209,046,125	-	2,336,404,438
Time Loan	372,040,345	4,853,146	5,923,533	-	382,817,024
Pledged assets					
Treasury bills	239,019,624	-	-	-	239,019,624
Bonds	44,451,010	-	-	-	44,451,010
Investment securities					
-Financial assets at FVOCI					
Treasury bills	608,866,687	139,363,538	-	-	748,230,225
Bonds	106,924,656	105,798,475	6,891,743	-	219,614,874
Promissory Notes	80,033,790	-	-	-	80,033,790
-Financial assets at amortised cost					
Treasury bills	194,302,056	42,807,389	-	-	237,109,445
Total Return Notes	45,527,717	-	-	-	45,527,717
Bonds	250,772,348	26,169,925	497,726	-	277,439,999
Promissory Notes	427,536	-	-	-	427,536
Restricted deposit and other assets	1,465,045,368	24,455,259	32,814,448	-	1,522,315,073
Total	**6,670,813,309**	**735,847,956**	**810,681,809**	**263,003**	**8,217,606,073**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

	Nigeria	Rest of Africa	Europe	Others	Total
Transaction related bonds and guarantees	334,606,056	40,135,395	4,067,396	-	378,808,847
Clean line facilities for letters of credit and other commitments	326,644,373	25,438,496	93,448,557	7,518	445,538,945
Total	**661,250,429**	**65,573,891**	**97,515,953**	**7,518**	**824,347,792**

Credit risk management

5.1.5 (b) By Sector

Bank
June 2021

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	997,884,069	-	-	-	997,884,069
Investment under management	9,103,880	-	12,636,015	-	9,871,822	-	31,611,717
Non pledged trading assets							
Treasury bills	-	-	-	-	42,527,338	-	42,527,338
Bonds	-	-	11,396	-	2,735,069	-	2,746,465
Equity	-	-	-	-	-	-	-
Derivative financial instruments	14,167,109	6,019,895	24,693,953	941,625	126,681,434	-	172,504,017
Loans and advances to banks	-	-	206,089,405	-	-	-	206,089,405
Loans and advances to customers							
Auto Loan	111,316	1,968,732	-	1,935,250	-	-	4,015,298
Credit Card	18,043	261,708	-	20,734,287	-	-	21,014,038
Finance Lease	-	1,484,531	-	894,694	-	-	2,379,224
Mortgage Loan	-	-	-	3,879,389	-	-	3,879,389
Overdraft	76,304,054	207,701,333	-	10,641,712	-	-	294,647,098
Personal Loan	-	-	-	56,738,212	-	-	56,738,212
Term Loan	903,391,685	1,058,675,859	-	14,964,188	278,943,200	-	2,255,974,931
Time Loan	354,971,832	117,531,601	-	2,154,751	-	-	474,658,184
Pledged assets							
Treasury bills	-	-	-	-	256,396,440	-	256,396,440
Bonds	-	-	-	-	163,024,447	-	163,024,447
Promissory Notes	-	-	-	-	41,241,295	-	41,241,295
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	133,494,452	-	133,494,452
Bonds	-	-	-	-	43,987,179	-	43,987,179
Promissory Notes	-	-	-	-	7,509,391	-	7,509,391
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	900,927,564	-	900,927,564
Total Return Notes	-	-	-	-	-	-	-
Bonds	12,724,868	-	-	-	305,649,342	-	318,374,211
Promissory Notes	-	-	-	-	9,810,495	-	9,810,495
Restricted deposit and other assets	179,232,078	42,476	89,418,431	8,000,138	1,276,383,594	2,170,664	1,555,247,382
Total	**1,550,024,865**	**1,393,686,135**	**1,330,733,269**	**120,884,246**	**3,599,183,062**	**2,170,664**	**7,996,682,240**

Credit risk exposures relating to other credit commitments at gross amount are as follows:	Corporate	Commercial	Bank	Retail	Government	Others	Total
Transaction related bonds and guarantees	155,870,317	169,821,012	6,124,484	101,089,884	131,079	-	433,036,776
Clean line facilities for letters of credit and other commitments	19,547,923	38,878,261	270,260,465	6,899,088	-	-	335,585,738
Total	**175,418,240**	**208,699,273**	**276,384,949**	**107,988,972**	**131,079**	**-**	**768,622,514**

By Sector

Bank
December 2020

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	589,812,438	-	-	-	589,812,438
Investment under management	6,916,492	-	13,495,537	-	10,039,436	-	30,451,465
Non pledged trading assets							
Treasury bills	-	-	-	-	97,719,848	-	97,719,848
Bonds	-	-	73,237	-	12,490,027	-	12,563,264
Equity	-	-	-	-	-	-	-
Derivative financial instruments	12,295,323	7,098,884	12,292,884	1,078,562	191,022,672	-	223,788,325
Loans and advances to banks	-	-	231,788,276	-	-	-	231,788,276
Loans and advances to customers	-	-	-				
Auto Loan	172,109	1,795,374	-	2,276,022	-	-	4,243,505
Credit Card	11,021	274,238	-	21,904,613	-	-	22,189,872
Finance Lease	580	2,171,515	-	1,432,982	-	-	3,605,077
Mortgage Loan	-	-	-	3,031,432	-	-	3,031,432
Overdraft	39,005,261	233,293,730	-	11,174,933	-	-	283,473,926
Personal Loan	-	-	-	13,607,367	-	-	13,607,367
Term Loan	886,174,685	960,076,696	-	49,311,083	221,121,746	-	2,116,684,210
Time Loan	243,402,815	125,460,562	-	3,176,968	-	-	372,040,345
Pledged assets							
Treasury bills	-	-	-	-	239,019,624	-	239,019,624
Bonds	-	-	-	-	44,451,010	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	608,866,687	-	608,866,687
Bonds	15,745,714	-	-	-	91,178,942	-	106,924,656
Promissory Notes	-	-	-	-	80,033,790	-	80,033,790
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	194,302,056	-	194,302,056
Total Return Notes	-	-	45,527,717	-	-	-	45,527,717
Bonds	472,288	-	-	-	250,300,061	-	250,772,349
Promissory Notes	-	-	-	-	427,537	-	427,537
Restricted deposit and other assets	80,231,178	1,285,890	94,029,490	7,242,924	1,281,876,938	6,815,056	1,471,481,478
Total	**1,284,427,466**	**1,331,456,889**	**987,019,579**	**114,236,886**	**3,322,850,374**	**6,815,056**	**7,046,806,253**

Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	114,884,894	192,337,386	13,889,125	13,872,688	80,100	-	335,064,193
Clean line facilities for letters of credit and other commitments	91,229,685	221,656,014	6,525,379	22,340,486	-	-	341,751,565
							-
Total	**206,114,579**	**413,993,400**	**20,414,504**	**36,213,174**	**80,100**	**-**	**676,815,758**

5.1.5 (b)i By geography

Bank **June 2021** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	386,451,961	542,009,206	69,422,903	-	997,884,070
Investment under management	16,130,037	5,221,004	10,260,677	-	31,611,718
Non pledged trading assets					
Treasury bills	42,527,338	-	-	-	42,527,338
Bonds	2,729,106	17,359	-	-	2,746,465
Equity	-	-	-	-	-
Derivative financial instruments	122,153,009	49,257,425	961,816	131,766	172,504,017
Loans and advances to banks	918,949	20,458,238	184,712,218	-	206,089,405
Loans and advances to customers					
Auto Loan	4,015,298	-	-	-	4,015,298
Credit Card	21,014,038	-	-	-	21,014,038
Finance Lease	2,379,224	-	-	-	2,379,224
Mortgage Loan	3,879,389	-	-	-	3,879,389
Overdraft	294,647,098	-	-	-	294,647,098
Personal Loan	56,738,212	-	-	-	56,738,212
Term Loan	2,255,974,931	-	-	-	2,255,974,931
Time Loan	474,658,184	-	-	-	474,658,184
Pledged assets					
Treasury bills	256,396,440	-	-	-	256,396,440
Bonds	163,024,447	-	-	-	163,024,447
Promissory Notes	41,241,295	-	-	-	41,241,295
Investment securities					
-Financial assets at FVOCI					
Treasury bills	133,494,452	-	-	-	133,494,452
Bonds	43,987,179	-	-	-	43,987,179
Promissory Notes	7,509,391	-	-	-	7,509,391
-Financial assets at amortised cost					
Treasury bills	900,927,564	-	-	-	900,927,564
Total Return Notes	-	-	-	-	-
Bonds	318,374,211	-	-	-	318,374,212
Promissory Notes	9,810,495	-	-	-	9,810,495
Restricted deposit and other assets	1,322,844,973	232,389,604	12,804	-	1,555,247,381
Total	**6,881,827,221**	**849,352,836**	**265,370,418**	**131,766**	**7,996,682,241**
Credit risk exposures relating to other credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	432,963,994	-	72,782	-	433,036,776
Clean line facilities for letters of credit and other commitments	333,759,988	30,231	1,795,518	-	335,585,737
Total	**766,723,982**	**30,231**	**1,868,300**	**-**	**768,622,513**

By geography

Bank **December 2020** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	474,375,779	60,654	115,376,006	-	589,812,439
Investment under management	14,172,243	7,109,072	9,170,151	-	30,451,466
Non pledged trading assets					
Treasury bills	97,719,848	-	-	-	97,719,848
Bonds	12,563,265	-	-	-	12,563,265
Equity	-	-	-	-	-
Derivative financial instruments	194,165,901	30,627,212	14,362,722	171,531	239,327,366
Loans and advances to banks	4,962,693	44,645,306	182,180,278	-	231,788,277
Loans and advances to customers					
Auto Loan	4,243,504	-	-	-	4,243,504
Credit Card	22,189,872	-	-	-	22,189,872
Finance Lease	3,605,077	-	-	-	3,605,077
Mortgage Loan	3,031,432	-	-	-	3,031,432
Overdraft	283,473,925	-	-	-	283,473,925
Personal Loan	13,607,367	-	-	-	13,607,367
Term Loan	2,116,684,210	-	-	-	2,116,684,210
Time Loan	372,040,345	-	-	-	372,040,345
Pledged assets					
Treasury bills	239,019,624	-	-	-	239,019,624
Bonds	44,451,010	-	-	-	44,451,010
Investment securities					
-Financial assets at FVOCI					
Treasury bills	608,866,687	-	-	-	608,866,687
Bonds	106,924,656	-	-	-	106,924,656
Promissory Notes	80,033,790	-	-	-	80,033,790
-Financial assets at amortised cost					
Treasury bills	194,302,056	-	-	-	194,302,056
Total Return Notes	45,527,717	-	-	-	45,527,717
Bonds	250,772,348	-	-	-	250,772,349
Promissory Notes	427,537	-	-	-	427,537
Restricted deposit and other assets	1,462,627,145	8,854,332	-	-	1,471,481,477
Total	**6,649,788,031**	**91,296,576**	**321,089,157**	**171,531**	**7,062,345,293**

Credit risk exposures relating to other credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	334,606,056	-	458,137	-	335,064,193
Clean line facilities for letters of credit and other	326,644,373	13,740,492	1,359,181	7,518	341,751,564
Total	**661,250,429**	**13,740,492**	**1,817,318**	**7,518**	**676,815,757**

Market risk management

5.2. Interest rate gap position

Repricing gap measures the difference between the Bank's interest sensitive assets and liabilities within certain maturity ranges. Differences between these assets and liabilities pose as potential losses from unexpected changes in interest rate. Negative Gaps represent situations when assets are less than liabilities and the Bank is exposed to an increase in interest rates. Where assets are more than liabilities this can be described as positive gap and the Bank is exposed to decline in interest rates.

The results above shows a negative gap of N271.03billion (Bank: N385.6) in the 'less than 3 months' time bucket, however this is as a result of the contractual nature of Non Maturity deposits. A significant portion of this gap is as a result of the contractual nature of Non Maturing Deposits.

A summary of the Group's interest rate gap position on financial instruments is as follows:

Group

	Re-pricing year						
In thousands of Naira **June 2021**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	159,334,311	-	-	-	-	1,205,236,571	1,364,570,882
Investment under management	23,881,676	-	-	-	7,730,042	-	31,611,718
Non pledged trading assets							
Treasury bills	9,533,807	27,828,807	24,239,512	-	-	-	61,602,126
Bonds	2,212,963	-	278,688	48,761,181	25,119,601	-	76,372,433
Loans and advances to banks	51,368,297	51,823,365	304,829,475	-	-	-	408,021,137
Loans and advances to customers							
Auto Loan	1,883,807	4,061,714	3,494,969	11,697,049	-	-	21,137,539
Credit Card	9,392,942	-	2,587,368	11,610,944	-	-	23,591,254
Finance Lease	417,303	298,771	891,170	1,443,879	-	-	3,051,123
Mortgage Loan	16,047,972	24,004,697	8,005,261	32,714,926	82,801,233	-	163,574,089
Overdraft	235,107,325	21,047,933	51,523,924	589,700	-	-	308,268,882
Personal Loan	50,714,304	9,829,163	11,010,694	9,974,140	2,691,856	-	84,220,157
Term Loan	36,931,266	34,503,394	160,838,521	1,001,999,465	1,256,574,152	-	2,490,846,798
Time Loan	333,210,071	87,048,074	41,108,814	26,873,013	17,510	-	488,257,482
Pledged assets							-
Treasury bills	16,766,658	142,570,801	15,423,615	-	-	-	174,761,075
Bonds	-	-	6,181,201	-	32,028,725	-	38,209,926
Promissory notes	-	-	-	43,847,608	-	-	43,847,608
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	30,184,913	257,877,905	-	-	-	288,062,819
Bonds	-	-	-	57,279,552	164,023,779	-	221,303,331
Promissory notes	1,750,795	3,360,054	45,164	2,353,377	-	-	7,509,391
-Financial assets at amortised cost							
Treasury bills	158,908,958	344,142,523	209,693,969	268,360,803	-	-	981,106,252
Bonds	7,537,932	-	19,371,149	66,511,934	274,343,872	-	367,764,887
Promissory notes	-	-	-	427,536	-	-	427,536
Total return notes	-	-	-	-	-	-	-
Restricted deposit and other assets	-	-	-	-	-	1,630,239,005	1,630,239,005
	1,115,000,385	**780,704,209**	**1,117,401,399**	**1,584,445,107**	**1,845,330,770**	**2,835,475,576**	**9,278,357,448**
Non-derivative liabilities							
Deposits from financial institutions	906,132,299	209,644,539	642,796,654	-	-	-	1,758,573,492

Deposits from customers	2,919,211,703	303,361,174	360,415,527	16,050,044	9,846	2,375,707,631	5,974,755,925
Other liabilities	-	-	-	-	-	486,011,729	486,011,729
Debt securities issued	-	125,560,797	-	15,438,798	36,860,683	-	177,860,278
Interest bearing borrowings	-	1,103,309	23,052,661	149,843,756	668,541,843	-	842,541,569
	3,825,344,002	**639,669,818**	**1,026,264,842**	**181,332,598**	**705,412,372**	**2,861,719,360**	**9,239,742,993**
Total interest re-pricing gap	(2,710,343,617)	141,034,390	91,136,557	1,403,112,509	1,139,918,398	(26,243,784)	38,614,454

Group

	Re-pricing year						
In thousands of Naira **December 2020**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	89,783,183	-	-	-	-	634,089,637	723,872,820
Investment under management	23,785,009	-	-	-	6,666,457	-	30,451,466
Non pledged trading assets							
Treasury bills	15,425,251	6,502,706	94,108,169	-	-	-	116,036,126
Bonds	-	-	1,696,330	13,623,889	76,595,599	-	91,915,817
Loans and advances to banks	120,523,350	71,295,446	201,002,512	-	-	-	392,821,307
Loans and advances to customers							
Auto Loan	1,191,994	2,448,986	2,114,765	8,309,097	-	-	14,064,843
Credit Card	10,819,861	-	1,475,650	11,370,011	-	-	23,665,522
Finance Lease	542,161	364,061	1,571,916	1,576,566	-	-	4,054,704
Mortgage Loan	12,514,876	18,602,034	6,362,619	25,224,744	64,335,393	-	127,039,667
Overdraft	203,083,470	53,607,113	44,027,120	-	-	-	300,717,703
Personal Loan	3,699,315	5,648,917	6,820,810	10,102,240	3,071,844	-	29,343,127
Term Loan	80,129,846	34,852,785	119,754,388	883,377,166	1,218,290,251	-	2,336,404,437
Time Loan	254,399,725	64,553,042	63,864,257	-	-	-	382,817,024
Pledged assets							
Treasury bills	101,874,873	73,955,530	8,273,493	-	-	-	184,103,896
Bonds	-	-	-	2,418,944	42,032,066	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	97,978,763	41,304,160	608,947,303	-	-	-	748,230,225
Bonds	-	-	3,947,114	34,202,910	181,464,849	-	219,614,874
Promissory notes	-	-	-	80,033,790	-	-	80,033,790
-Financial assets at amortised cost							
Treasury bills	31,463,203	13,263,703	192,382,539	-	-	-	237,109,445
Bonds	-	-	5,029,820	43,584,869	228,825,310	-	277,439,999
Promissory notes	-	-	-	427,536	-	-	427,536
Total return notes	-	-	45,527,717	-	-	-	45,527,717
Restricted deposit and other assets	-	-	-	-	-	1,522,315,074	1,522,315,074
	1,047,214,870	**386,398,483**	**1,406,906,522**	**1,114,251,762**	**1,821,281,779**	**2,156,404,711**	**7,932,458,130**
Non-derivative liabilities							
Deposits from financial institutions	584,821,197	242,404,257	131,171,717	-	-	-	958,397,171
Deposits from customers	3,036,562,629	214,090,929	33,271,788	1,515,952	2,785	2,301,974,129	5,587,418,213
Other liabilities	-	-	-	-	-	356,638,122	356,638,122
Debt securities issued	-	122,195,240	-	15,423,330	31,541,488	-	169,160,058
Interest bearing borrowings	5,951,608	23,125,817	168,782,396	164,893,495	428,701,922	-	791,455,237
	3,627,335,434	**601,816,243**	**333,225,901**	**181,832,777**	**460,246,195**	**2,658,612,251**	**7,863,068,801**
Total interest re-pricing gap	(2,580,120,557)	(215,417,760)	1,073,680,622	932,418,986	1,361,035,578	(502,207,539)	69,389,329

5.2. A summary of the Bank's interest rate gap position on securitty portfolios is as follows:

Bank

In thousands of Naira **June 2021**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
	Re-pricing year						
Non-derivative assets							
Cash and balances with banks	101,038,664	-	-	-	-	896,845,404	997,884,069
Investment under management	23,881,676	-	-	-	7,730,042	-	31,611,718
Non- pledged trading assets							
Treasury bills	6,511,183	19,005,886	17,010,270	-	-	-	42,527,338
Bonds	346,938	-	543,519	-	1,856,009	-	2,746,465
Loans and advances to banks	51,368,297	51,823,365	102,897,743	-	-	-	206,089,405
Loans and advances to customers							
Auto Loan	171,583	123,599	584,188	3,135,928	-	-	4,015,297
Credit Card	9,392,942	-	10,152	11,610,944	-	-	21,014,038
Finance Lease	350,113	63,607	615,692	1,349,813	-	-	2,379,224
Mortgage Loan	78,502	50,492	20,526	775,986	2,953,883	-	3,879,389
Overdraft	235,107,325	21,047,933	37,902,140	589,700	-	-	294,647,098
Personal Loan	46,592,012	210,482	567,555	6,676,306	2,691,856	-	56,738,212
Term Loan	13,444,079	3,970,051	109,166,711	884,563,532	1,244,830,559	-	2,255,974,931
Time Loan	326,410,422	83,920,235	37,437,004	26,873,013	17,510	-	474,658,184
Pledged assets							
Treasury bills	16,766,658	142,570,801	15,423,615	-	-	-	174,761,075
Bonds	-	-	3,366,359	34,843,568	-	-	38,209,926
Promissory note	-	-	-	43,847,608	-	-	43,847,608
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	49,749,962	83,744,491	-		-	133,494,452
Bonds	-	-	-	18,630,306	25,356,873	-	43,987,179
Promissory note	1,750,795	3,360,054	45,164	103,525,025	-	-	108,681,038
-Financial assets at amortised cost							
Treasury bills	141,032,854	305,428,988	454,465,722	-	-	-	900,927,564
Bonds	6,342,978	-	16,300,329	55,968,101	249,573,298	-	328,184,706
Promissory note	-	-	-	9,810,495	-	-	9,810,495
Total return notes	-	-	-	-	-	-	-
Restricted deposit and other assets	-	-	-	-	-	1,554,763,902	1,554,763,902
	980,587,021	**681,325,455**	**880,101,170**	**1,202,200,325**	**1,535,010,030**	**2,451,609,306**	**7,730,833,317**
Non-derivative liabilities							
Deposits from financial institutions	793,805,525	183,656,397	601,891,729	-	-	-	1,579,353,651
Deposits from customers	2,511,037,292	237,181,232	281,788,857	12,548,637	7,698	1,829,688,027	4,872,251,742
Other liabilities	-	-	-	-	-	424,391,343	424,391,343
Debt securities	-	125,560,797	-	15,438,798	31,555,504	-	172,555,098
Interest bearing borrowings	-	1,000,000	20,894,111	135,813,045	623,121,521	-	780,828,677
	3,304,842,817	**547,398,426**	**904,574,697**	**163,800,480**	**654,684,723**	**2,254,079,370**	**7,829,380,514**
Total interest re-pricing gap	(2,324,255,793)	133,927,034	(24,473,520)	1,038,399,846	880,325,308	197,529,936	(98,547,196)

Bank

In thousands of Naira	Re-pricing year						
December 2020	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	40,095,276	-	-	-	-	549,717,160	589,812,438
Investment under management	23,785,009	-	-	-	6,666,457	-	30,451,466
Non- pledged trading assets							
Treasury bills	12,990,379	5,476,255	79,253,214	-	-	-	97,719,848
Bonds	-	-	225,507	1,954,087	10,383,670	-	12,563,265
Loans and advances to banks	120,523,350	71,295,446	39,969,481	-	-	-	231,788,276
Loans and advances to customers							
Auto Loan	209,860	190,078	445,138	3,398,428	-	-	4,243,503
Credit Card	10,819,861	-	-	11,370,011	-	-	22,189,872
Finance Lease	497,198	206,692	1,387,569	1,513,618	-	-	3,605,077
Mortgage Loan	114,053	798	162,208	423,097	2,331,276	-	3,031,432
Overdraft	203,083,470	53,607,113	26,783,342	-	-	-	283,473,925
Personal Loan	1,338,951	141,401	841,221	8,213,949	3,071,844	-	13,607,367
Term Loan	58,157,824	6,289,155	71,415,939	773,517,053	1,207,304,240	-	2,116,684,210
Time Loan	249,011,385	62,074,406	60,954,554	-	-	-	372,040,345
Pledged assets							
Treasury bills	101,874,873	73,955,530	8,273,493	-	-	-	184,103,896
Bonds	-	-	-	2,418,944	42,032,066	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	79,453,504	33,494,608	495,918,575	-	-	-	608,866,687
Bonds	-	-	1,912,888	16,575,739	88,436,029	-	106,924,656
Promissory note	-	-	1,912,888	16,575,739	88,436,029	-	106,924,656
-Financial assets at amortised cost							
Treasury bills	25,835,013	10,891,070	157,575,973	-	-	-	194,302,056
Bonds	-	-	4,561,362	39,525,545	207,112,979	-	251,199,886
Promissory note	-	-	-	427,537	-	-	427,537
Total return notes	-	-	45,527,717	-	-	-	45,527,717
Restricted deposit and other assets	-	-	-	-	-	1,471,481,477	1,471,481,477
	927,790,006	**317,622,553**	**997,121,069**	**875,913,748**	**1,655,774,593**	**2,021,198,637**	**6,795,420,605**
Non-derivative liabilities							
Deposits from financial institutions	514,323,447	213,573,720	103,735,165	-	-	-	831,632,332
Deposits from customers	2,640,757,810	172,047,852	26,737,890	1,218,250	2,238	1,991,980,453	4,832,744,493
Other liabilities	-	-	-	-	-	322,955,917	322,955,917
Debt securities	-	122,195,240	-	15,423,330	31,541,488	-	169,160,058
Interest bearing borrowings	5,675,830	22,054,242	160,961,567	157,252,865	409,309,769	-	755,254,273
	3,160,757,087	**529,871,053**	**291,434,622**	**173,894,446**	**440,853,496**	**2,314,936,370**	**6,911,747,076**
Total interest re-pricing gap	(2,232,967,078)	(212,248,496)	705,686,446	702,019,303	1,214,921,096	(293,737,732)	(116,326,469)

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

June 2021	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	159,334,311	-	1,205,616,421	1,364,950,732
Non pledged trading assets	137,974,558	-	-	137,974,558
Derivative financial instruments	-	-	187,122,508	187,122,508
Loans and advances to banks	408,021,137	-	-	408,021,137
Loans and advances to customers	19,602,161	3,563,345,163	-	3,582,947,324
Pledged assets		-	-	-
Treasury bills	174,761,075	-	-	174,761,075
Bonds	38,209,926	-	-	38,209,926
Promissory notes	43,847,608	-	-	43,847,608
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	288,062,819	-	-	288,062,819
Bonds	228,812,720	-	-	228,812,720
Promissory notes	7,509,390	-	-	7,509,390
-Financial assets at amortised cost				
Treasury bills	981,106,252	-	-	981,106,252
Bonds	376,425,909	-	-	376,425,909
Promissory notes	9,810,494	-	-	9,810,494
TOTAL	**2,873,478,360**	**3,563,345,163**	**1,392,738,929**	**7,829,562,452**
LIABILITIES				
Deposits from financial institutions	1,758,573,492	-	-	1,758,573,492
Deposits from customers	2,248,686,098	3,726,069,828	-	5,974,755,926
Derivative financial instruments	-	-	10,099,966	10,099,966
Debt securities issued	177,860,278	-	-	177,860,278
Interest-bearing borrowings	460,076,959	259,973,416	-	720,050,375
TOTAL	**4,645,196,827**	**3,986,043,244**	**10,099,966**	**8,641,340,037**

December 2020	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	89,783,183	-	634,294,495	724,077,678
Non pledged trading assets	207,951,943	-	-	207,951,943
Derivative financial instruments	-	-	251,112,745	251,112,745
Loans and advances to banks	392,821,307	-	-	392,821,307
Loans and advances to customers	17,182,330	3,200,924,697	-	3,218,107,027
Pledged assets		-	-	
Treasury bills	184,103,895	-	-	184,103,895
Bonds	44,451,010	-	-	44,451,010
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	748,230,225	-	-	748,230,225
Bonds	299,648,663	-	-	299,648,663
Promissory notes	80,033,790	-	-	80,033,790
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	322,795,236	-	-	322,795,236
Promissory notes	-	-	427,536	427,536
TOTAL	**2,624,111,027**	**3,200,924,697**	**885,834,776**	**6,710,870,500**

LIABILITIES				
Deposits from financial institutions	958,397,171	-	-	958,397,171
Deposits from customers	1,975,382,019	3,612,036,194	-	5,587,418,213
Derivative financial instruments	-	-	20,880,529	20,880,529
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	515,430,744	276,024,490	-	791,455,234
TOTAL	**3,618,369,993**	**3,888,060,684**	**20,880,529**	**7,527,311,204**

Bank

June 2021	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	101,038,665	-	896,981,857	998,020,522
Non pledged trading assets	45,273,803	-	-	45,273,803
Derivative financial instruments	-	-	182,269,354	182,269,354
Loans and advances to banks	206,089,405	-	-	206,089,405
Loans and advances to customers	14,768,865	3,098,537,510	-	3,113,306,375
Pledged assets				
Treasury bills	174,761,075	-	-	174,761,075
Bonds	38,209,926	-	-	38,209,926
Promissory notes	43,847,608	-	-	43,847,608
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	133,494,452	-	-	133,494,452
Bonds	51,496,570	-	-	51,496,570
Promissory notes	7,509,391	-	-	7,509,391
-Financial assets at amortised cost				
Treasury bills	900,927,564	-	-	900,927,564
Bonds	327,146,932	-	-	327,146,932
Promissory notes	9,810,495	-	-	9,810,495
TOTAL	**2,054,374,750**	**3,098,537,510**	**1,079,251,212**	**6,232,163,472**
LIABILITIES				
Deposits from financial institutions	1,579,353,651	-	-	1,579,353,651
Deposits from customers	1,747,208,392	3,125,043,350	-	4,872,251,741
Derivative financial instruments	-	-	9,765,338	9,765,338
Debt securities issued	172,555,098	-	-	172,555,098
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	3,783,608,402	3,381,205,858	13,175,794	7,177,990,054

December 2020	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	40,095,277	-	549,751,317	589,846,594
Non pledged trading assets	110,283,112	-	-	110,283,112
Derivative financial instruments	-	-	244,564,046	244,564,046
Loans and advances to banks	231,788,276	-	-	231,788,276
Loans and advances to customers	15,031,149	2,803,844,582	-	2,818,875,731
Pledged assets				
Treasury bills	184,103,895	-	-	184,103,895
Bonds	44,451,010	-	-	44,451,010
Investment securities:				-
-Financial assets at FVOCI	-	-	-	-
Treasury bills	608,866,687	-	-	608,866,687
Bonds	186,958,444	-	-	186,958,444
-Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	296,177,416	-	-	296,177,416
TOTAL	**1,912,057,324**	**2,803,844,582**	**794,315,363**	**5,510,217,269**
LIABILITIES				
Deposits from financial institutions	831,632,332	-	-	831,632,332
Deposits from customers	1,586,352,295	3,246,392,200	-	4,832,744,495
Derivative financial instruments	-	-	20,775,722	20,775,722
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	495,681,304	256,162,509	3,410,456	755,254,269
TOTAL	3,082,825,990	3,502,554,708	24,186,178	6,609,566,877

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.

Interest rate risk
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing (note 5.2.1) that may be undertaken, which is monitored daily by Group Treasury.

Cash flow and fair value interest rate risk
The group's interest rate risk arises from risk assets, long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

(i) Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.

(ii) Fair value reserves arising from increases or decreases in fair value through other comprehensive income financial instruments report directly in other comprehensive income.

Group
Interest sensitivity analysis- June 2021
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	22,360,372	(22,360,372)
6 months	(959,420)	959,420
12 months	(968,745)	968,745
	20,432,207	**(20,432,207)**

Interest sensitivity analysis- December 2020
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	22,491,997	(22,491,997)
6 months	1,332,975	(1,332,975)
12 months	(2,662,588)	2,662,588
	21,162,384	**(21,162,384)**

Bank
Interest sensitivity analysis - June 2021
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	14,377,903	(14,377,903)
6 months	(625,762)	625,762
12 months	(149,835)	149,835
	13,602,306	**(13,602,306)**

Interest sensitivity analysis - December 2020
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	19,471,323	(19,471,323)
6 months	1,330,360	(1,330,360)
12 months	(1,772,323)	1,772,323
	19,029,360	**(19,029,360)**

The table above sets out the impact on net interest income of a 100 basis points parallel fall or rise in all yields. A parallel increase in yields by 100 basis points would lead to an increase in net interest income while a parallel fall in yields by 100 basis points would lead to a decline in net interest income. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all positions will be retained and rolled over upon maturity. The figures represent the effect of movements in net interest income based on the 100 basis point shift in interest rate and subject to the current interest rate exposures. However, the effect has not taken into account the possible risk management measures undertaken by the Bank to mitigate interest rate risk. In practice, the Assets and Liability Committee, ALCO seeks proactively to change the interest rate risk profile to minimize losses and optimise net revenues. The projections also assume that interest rates on various maturities will move within similar ranges, and therefore do not reflect any potential effect on net interest income in the event that some interest rates may change and others remain unchanged.

Price sensitivity analysis on bonds, promissory notes and treasury bills

The table below shows the impact of likely movement in yields on the value of bonds and treasury bills. This relates to the positions held for trade and fair value through other comprehensive income. Since an increase in yields would lead to decline in market values of bonds and treasury bills, the analysis was carried out to show the likely impact of 50 and 100 basis points increase in market yields. The impact of held for trading investments is on the income statement while the impact of available for sale instruments is on the statement of other comprehensive income.

Group

June 2021	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive income			
Investment under management T-Bills			
Fair value through profit or loss: Bonds	64,989,606	(290,740)	(577,753)
Fair value through profit or loss: T-bills	60,164,724	(139,868)	(279,736)
Fair value through profit or loss: Equity	534,682	2,673	5,347
Fair value through profit or loss: Bonds - Pledged	398,899	(7,681)	(15,169)
Fair value through profit or loss: T-bills - Pledged	1,462,628	(5,533)	(11,067)
	127,550,539	(441,151)	(878,378)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	188,415,762	(612,624)	(1,194,956)
-Financial assets at FVOCI-Tbills	194,452,871	3,082	6,165
Financial assets at FVOCI - Bonds - Pledged	3,303,972	(70,684)	(138,459)
Financial assets at FVOCI - T-Bills - Pledged	23,486,272	(50,699)	(101,397)
	409,658,877	(730,923)	(1,428,647)
TOTAL	**537,209,416**	**(1,172,074)**	**(2,307,025)**

December 2020	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive			
Investment under management T-Bills			
Fair value through profit or loss: Bonds	91,883,585	(1,275,093)	(2,513,415)
Fair value through profit or loss: T-bills	116,036,126	(340,287)	(680,574)
	534,682	2,673	5,347
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	85,006,604	(202,401)	(404,802)
	293,460,997	(1,815,106)	(3,593,444)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	149,329,224	(2,047,060)	(3,990,249)
-Financial assets at FVOCI-Tbills	748,222,549	(2,792,500)	(5,585,000)
Financial assets at FVOCI - Bonds - Pledged	2,617,080	(97,230)	(189,434)
Financial assets at FVOCI - T-Bills - Pledged	999,521	(548)	(1,096)
	901,168,374	(4,937,338)	(9,765,779)
TOTAL	**1,194,629,371**	**(6,752,446)**	**(13,359,221)**

Bank

June 2021	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	2,716,354	145,266	288,588
Fair value through profit or loss: T-bills	42,527,338	(100,737)	(201,474)
Fair value through profit or loss: Eurobond	30,111	2,673	5,347
Fair value through profit or loss: Bonds - Pledged	422,169	(7,681)	(15,169)
Fair value through profit or loss: T-bills - Pledged	-	(5,533)	(11,067)
Fair value through profit or loss: Promissory notes - Pledged	-		
	45,695,972	33,988	66,225
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	-	(2,333,901)	(4,597,613)
-Financial assets at FVOCI-Tbills	133,494,452	3,082	6,165
Financial assets at FVOCI - Bonds - Pledged	-	(70,684)	(138,459)
Financial assets at FVOCI - T-Bills - Pledged	11,714,103	(50,699)	(101,397)
	145,208,555	(2,452,202)	(4,831,304)
TOTAL	**190,904,527**	**(2,418,212)**	**(4,765,079)**

December 2020	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	12,488,649	(376,059)	(734,637)
Fair value through profit or loss: T-bills	97,719,848	(307,073)	(614,145)
Fair value through profit or loss: Equity	534,682	2,673	5,347
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	85,006,604	(202,401)	(404,802)
	195,749,783	(882,860)	(1,748,237)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	44,296,019	(1,706,329)	(3,312,000)
-Financial assets at FVOCI-Tbills	608,866,687	(2,770,975)	(5,541,949)
Financial assets at FVOCI - Bonds - Pledged	2,617,080	(97,230)	(189,434)
Financial assets at FVOCI - T-Bills - Pledged	999,521	(548)	(1,096)
	656,779,307	(4,575,082)	(9,044,481)
TOTAL	**852,529,090**	**(5,457,941)**	**(10,792,720)**

Foreign currency sensitivity analysis

The Group's principal foreign currency exposure is to US Dollars, as it constitutes a significant portion of the Group's foreign currency exposure as at 30 June 2021. The table below illustrates the hypothetical sensitivity of the Group and Bank's reported profit to a 5% increase in the US Dollar/Naira exchange rates at the period end, assuming all other variables remain unchanged. The sensitivity rate of 5% increase represents the directors' assessment of a reasonable possible change based on historic volatility.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective fair value hedge affect the fair value reserve in equity and the fair value of the hedging derivatives. For foreign exchange derivatives which are not designated hedges, movements in exchange rates impact the income statement.

Group

In thousands of naira	Impact on statement of comprehensive income June 2021
Naira weakens by 5%	(12,631,515)

In thousands of naira	Impact on statement of comprehensive income December 2020
Naira weakens by 5%	7,655,043

Bank

In thousands of naira	Impact on statement of comprehensive income June 2021
Naira weakens by 5%	(11,317,524)

	Impact on statement of comprehensive income December 2020
Naira weakens by 5%	7,655,043

The NGN/USD exchange rate applied in the conversion of balances as at period end is N410.66/USD1 (2020: N400.33/USD1). The strengthening or weakening of Naira may not produce symmetrical results depending on the proportion and nature of balance sheet and the impact of derivatives.

Market Risk for Hedging instruments

	June 2021
Total exposure to foreign exchange risk	**N'000**
Derivative assets (fair value hedge)	173,087,336
Interest bearing loans and borrowings	6,258,171
Deposits from other financial institutions	28,470,311

5.2. The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency
Group

In thousands of Naira

June 2021	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	1,364,570,881	351,011,691	641,492,921	229,746,321	79,814,684	62,505,264
Investment under management	31,611,718	28,766,051	2,845,667	-	-	-
Non-pledged trading assets						
Treasury bills	61,602,125	42,527,338	-	-	-	19,074,787
Bonds	76,372,433	2,716,354	30,111	-	-	73,625,968
Equity	-	-	-	-	-	-
Derivative financial instruments	187,122,508	182,269,354	119,370	9,030	-	4,724,754
Loans and advances to banks	408,021,136	21,377,186	386,643,950	-	-	-
Loans and advances to customers						
Auto Loan	21,137,539	4,015,298	3,526,459	-	-	13,595,782
Credit Card	23,591,254	18,044,050	3,500,551	234	-	2,046,419
Finance Lease	3,051,123	2,379,224	138,383	-	-	533,516
Mortgage Loan	163,574,089	3,879,389	32,890,366	34,231,554	-	92,572,780
Overdraft	308,268,882	277,716,093	18,413,945	1,327,901	156	10,810,787
Personal Loan	84,220,156	56,657,972	5,740,360	-	-	21,821,824
Term Loan	2,490,846,798	2,074,015,461	230,299,868	152,404,562	33,291	34,093,616
Time Loan	488,257,482	116,170,891	351,841,771	4,552,869	9,227,236	6,464,715
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	11,714,103	11,714,103	-	-	-	-
Bonds	-	-	-	-	-	-
Promissory notes	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	163,046,971	163,046,971	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
Promissory notes	43,847,608	43,847,608	-	-	-	-
-Financial assets at FVPL						
Treasury bills	-	-	-	-	-	-
Bonds	422,169	422,169	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	288,062,818	133,494,452	-	-	-	154,568,366
Bonds	221,303,332	29,103,018	21,775,904	-	-	170,424,410
Promissory notes	7,509,391	7,509,391	-	-	-	-
-Financial assets at FVPL						
Equity	165,349,327	33,795,084	131,282,314	271,929	-	-
-Financial assets at amortised cost						
Treasury bills	981,106,253	900,927,564	60,049,949	-	-	20,128,740
Total return notes	-	-	-	-	-	-
Bonds	367,764,887	318,374,211	6,248,658	-	-	43,142,018
Promissory notes	9,810,494	9,810,494	-	-	-	-
Restricted deposit and other assets	1,630,239,005	1,472,221,911	84,635,803	5,221,761	154,172	68,005,358
	9,644,258,412	**6,347,647,258**	**1,981,476,350**	**427,766,161**	**89,229,539**	**798,139,104**

Deposits from financial institutions	1,758,573,491	346,055,049	1,391,675,146	7,084,384	8,783,189	4,975,723
Deposits from customers	5,974,755,925	3,920,766,884	1,183,183,849	264,131,029	30,277,908	576,396,255
Derivative financial instruments	10,099,966	9,765,338	202,406	29,829	102,314	79
Other liabilities	486,011,729	334,369,175	92,754,931	5,214,809	5,804,802	47,868,012
Debt securities issued	177,860,278	46,994,301	125,560,797	-	-	5,305,180
Interest bearing borrowings	842,541,570	483,447,899	356,386,969	-	2,274,959	431,743
	9,249,842,959	**5,141,398,646**	**3,149,764,098**	**276,460,051**	**47,243,172**	**634,976,992**
Off balance sheet exposures:						
Transaction related bonds and guarantees	465,918,521	290,473,857	89,447,800	15,850	63,622,573	22,358,442
Clean line facilities for letters of credit and other commitments	354,929,787	40,000	304,750,357	6,998,819	42,385,453	755,159
Future, swap and forward contracts						
	820,848,310	**290,513,857**	**394,198,157**	**7,014,669**	**106,008,026**	**23,113,601**

*Included in Others are balances the group has in other currencies which includes South Africa Rand, Japanese Yen, Ghanaian Cedis, Dirham, Australian dollars, Canadian dollars, Swiss franc, Chinese Yuan etc.

Financial instruments by currency

Group
In thousands of Naira

December 2020	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	723,872,820	183,524,466	318,479,238	74,495,360	92,618,620	54,755,134
Investment under management	30,451,466	27,667,779	2,783,687	-	-	-
Non-pledged trading assets						
Treasury bills	116,036,126	97,719,848	-	-	-	18,316,278
Bonds	91,915,817	12,488,649	74,615	-	-	79,352,552
Equity	-	-	-	-	-	-
Derivative financial instruments	251,112,744	244,564,046	-	4,732,073	8,129	1,808,496
Loans and advances to banks	392,821,307	843,088	391,978,220	-	-	-
Loans and advances to customers						
Auto Loan	14,064,843	4,243,504	2,022,781	-	-	7,798,557
Credit Card	23,665,522	19,036,608	3,456,928	257	-	1,171,729
Finance Lease	4,054,704	3,605,077	92,604	-	-	357,023
Mortgage Loan	127,039,667	3,031,432	25,540,461	33,683,980	-	64,783,793
Overdraft	300,717,702	260,286,030	26,739,240	639	2	13,691,793
Personal Loan	29,343,127	13,480,722	3,367,547	-	-	12,494,857
Term Loan	2,336,404,437	1,858,808,474	303,086,333	165,991,449	42,493	8,475,687
Time Loan	382,817,024	113,032,794	249,821,168	6,520,373	9,557,270	3,885,418
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial assets at FVPL						
Treasury bills	85,006,604	85,006,604	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	748,230,225	608,866,687	134,875,103	-	-	4,488,434
Bonds	219,614,874	91,783,529	22,032,870	-	-	105,798,475
Promissory notes	80,033,790	80,033,790	-	-	-	-
-Financial assets at FVPL						
Equity	141,765,576	22,751,701	118,983,352	30,523	-	-
-Financial assets at amortised cost						
Treasury bills	237,109,445	194,302,056	-	-	-	42,807,389
Total return notes	45,527,717	-	45,527,717	-	-	-
Bonds	277,439,999	250,772,348	6,891,743	-	-	19,775,908
Promissory notes	427,536	427,536	-	-	-	-
Restricted deposit and other assets	1,522,315,074	1,380,851,224	91,807,963	783,023	1,430,290	47,442,574
	8,325,336,447	**5,700,676,296**	**1,747,561,571**	**286,237,677**	**103,656,805**	**487,204,098**

Deposits from financial institutions	958,397,171	12,284,842	930,447,908	4,514,659	6,976,833	4,172,929
Deposits from customers	5,587,418,213	3,915,294,407	1,069,396,893	235,709,852	29,251,452	337,765,609
Derivative financial instruments	20,880,529	20,775,722	85,133	-	19,549	125
Other liabilities	356,638,122	273,817,262	55,914,256	6,627,680	2,395,628	17,883,295
Debt securities issued	169,160,059	46,964,818	122,195,241	-	-	-
Interest bearing borrowings	791,455,237	419,322,836	361,202,412	-	2,112,886	8,817,103
	7,883,949,330	**4,688,459,886**	**2,539,241,844**	**246,852,190**	**40,756,348**	**368,639,062**
Off balance sheet exposures						
Transaction related bonds and guarantees	378,808,847	209,738,623	74,052,168	33,019	59,643,055	35,341,982
Clean line facilities for letters of credit and other commitments	445,538,945	-	412,339,777	9,295,470	23,782,623	121,075
	824,347,792	**209,738,623**	**486,391,946**	**9,328,489**	**83,425,678**	**35,463,057**

5.2. The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Bank
In thousands of Naira

June 2021	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	997,884,070	351,011,691	548,675,968	26,600,140	69,570,556	2,025,715
Investment under management	31,611,718	28,766,051	2,845,667	-	-	-
Non-pledged trading assets						
Treasury bills	42,527,338	42,527,338	-	-	-	-
Bonds	2,746,465	2,716,354	30,111	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	182,269,354	182,269,354	-	-	-	-
Loans and advances to banks	206,089,404	21,377,186	184,712,218	-	-	-
Loans and advances to customers						
Auto Loan	4,015,298	4,015,298	-	-	-	-
Credit Card	21,014,038	18,044,050	2,969,754	234	-	-
Finance Lease	2,379,224	2,379,224	-	-	-	-
Mortgage Loan	3,879,389	3,879,389	-	-	-	-
Overdraft	294,647,099	277,716,093	15,608,433	1,322,417	156	-
Personal Loan	56,738,212	56,657,972	80,240	-	-	-
Term Loan	2,255,974,931	2,074,015,461	181,926,179	-	33,291	-
Time Loan	474,658,184	116,170,891	349,040,890	219,163	9,227,236	4
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	11,714,103	11,714,103	-	-	-	-
Bonds	-	-	-	-	-	-
Promissory notes	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	163,046,971	163,046,971	-	-	-	-
Bonds	37,787,758	37,787,758	-	-	-	-
Promissory notes	43,847,608	43,847,608	-	-	-	-
-Financial assets at FVPL						
Treasury bills	-	-	-	-	-	-
Bonds	422,169	422,169	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	133,494,452	133,494,452	-	-	-	-
Bonds	43,987,179	29,103,018	14,884,161	-	-	-
Promissory notes	7,509,391	7,509,391	-	-	-	-
-Financial assets at FVPL						
Equity	165,077,398	33,795,084	131,282,314	-	-	-
-Financial assets at amortised cost						
Treasury bills	900,927,564	900,927,564	-	-	-	-
Total return notes	-	-	-	-	-	-
Bonds	318,374,211	318,374,211	-	-	-	-

Promissory notes	9,810,495	9,810,495	-	-	-	-
Restricted deposit and other assets	1,554,763,902	1,472,221,911	81,578,356	806,224	153,436	3,975
	7,967,197,926	**6,343,601,087**	**1,513,634,291**	**28,948,178**	**78,984,675**	**2,029,694**
Deposits from financial institutions	1,579,353,651	346,055,049	1,231,784,604	33,660	1,478,897	1,441
Deposits from customers	4,872,251,742	3,920,766,884	916,965,068	17,756,266	16,763,114	410
Derivative financial instruments	9,765,338	9,765,338	-	-	-	-
Other liabilities	424,391,343	334,369,175	83,950,960	142,251	5,794,822	134,136
Debt securities issued	172,555,098	46,994,301	125,560,797	-	-	-
Interest bearing borrowings	780,828,677	483,447,899	297,380,779	-	-	-
	7,839,145,849	**5,141,398,646**	**2,655,642,208**	**17,932,177**	**24,036,833**	**135,987**
Off balance sheet exposures:						
Transaction related bonds and guarantees	433,036,776	290,473,857	79,581,325	15,850	62,965,744	-
Clean line facilities for letters of credit and other commitments	335,585,737	40,000	304,750,357	269,328	30,253,448	272,604
	768,622,513	**290,513,857**	**384,331,682**	**285,178**	**93,219,192**	**272,604**

Financial instruments by currency

Bank

In thousands of Naira

December 2020	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	589,812,440	183,524,466	295,629,872	24,688,883	82,650,611	3,318,608
Investment under management	30,451,466	27,667,779	2,783,687	-	-	-
Non-pledged trading assets						
Treasury bills	97,719,848	97,719,848	-	-	-	-
Bonds	12,563,264	12,488,649	74,615	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	244,564,046	244,564,046	-	-	-	-
Loans and advances to banks	231,788,277	843,088	230,945,189	-	-	-
Loans and advances to customers						
Auto Loan	4,243,504	4,243,504	-	-	-	-
Credit Card	22,189,872	19,036,608	3,153,007	257	-	-
Finance Lease	3,605,077	3,605,077	-	-	-	-
Mortgage Loan	3,031,432	3,031,432	-	-	-	-
Overdraft	283,473,926	260,286,030	23,187,750	144	2	-
Personal Loan	13,607,367	13,480,722	126,645	-	-	-
Term Loan	2,116,684,209	1,858,808,474	257,833,242	-	42,493	-
Time Loan	372,040,343	113,032,794	247,601,627	1,816,838	9,557,270	31,814
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial assets at FVPL						
Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	608,866,687	-	-	-	-
Bonds	106,924,656	91,783,529	15,141,127	-	-	-
Promissory notes	80,033,790	80,033,790	-	-	-	-
-Financial assets at FVPL						
Equity	141,735,053	22,751,701	118,983,352	-	-	-
-Financial assets at amortised cost						
Treasury bills	194,302,056	194,302,056	-	-	-	-
Total return notes	45,527,717	-	45,527,717	-	-	-
Bonds	250,772,348	250,772,348	-	-	-	-
Promissory notes	427,537	427,537	-	-	-	-
Restricted deposit and other assets	1,471,481,477	1,380,851,224	89,200,647	-	1,429,606	-
	7,154,401,293	**5,700,676,292**	**1,330,188,475**	**26,506,122**	**93,679,980**	**3,350,422**
Deposits from financial institutions	831,632,333	12,284,842	816,255,696	60,925	3,017,007	13,863

Deposits from customers	4,832,744,492	3,915,294,407	883,994,671	16,898,928	16,556,059	427
Derivative financial instruments	20,775,722	20,775,722	-	-	-	-
Other liabilities	322,955,917	273,817,262	46,643,918	64,085	2,386,350	44,302
Debt securities issued	169,160,059	46,964,818	122,195,241	-	-	-
Interest bearing borrowings	755,254,273	419,322,836	335,931,437	-	-	-
	6,932,522,796	**4,688,459,887**	**2,205,020,963**	**17,023,938**	**21,959,416**	**58,592**
Off balance sheet exposures						
Transaction related bonds and guarantees	335,064,192	209,738,623	66,277,024	15,244	59,033,301	-
Clean line facilities for letters of credit and other commitments [1]	341,751,564	-	328,287,614	224,396	13,237,822	1,732
	676,815,756	209,738,623	394,564,638	239,641	72,271,123	1,732

Liquidity risk management
The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

The amounts in the table below have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than one month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks and debt securities issued by federal government, which can be readily sold to meet liquidity requirements.
In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

5.3. Residual contractual maturities of financial assets and liabilities

Group **June 2021** *In thousands of Naira*	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	1,364,570,882	1,364,886,266	1,364,886,266	-	-	-	-
Investment under management	31,611,718	31,611,718	2,185,897	5,229,113	16,466,664	7,730,043	-
Non-pledged trading assets							
Treasury bills	61,602,125	63,471,747	12,896,687	26,092,197	24,482,863	-	-
Bonds	76,372,433	105,423,804	24,891,795	-	-	24,730,665	55,801,344
Derivative financial instruments	187,122,508	187,122,508	6,063,045	60,318,569	118,696,627	2,044,267	-
Loans and advances to banks	408,021,137	409,295,915	51,553,676	52,040,785	305,701,454	-	-
Loans and advances to customers							
Auto Loan	21,137,539	22,400,090	2,762,965	4,661,051	4,096,450	10,879,625	-
Credit Card	23,591,254	24,776,558	10,825,209	-	2,581,340	11,370,010	-
Finance Lease	3,051,123	5,068,852	1,456,140	952,965	1,320,892	1,338,855	-
Mortgage Loan	163,574,089	164,974,173	16,452,341	24,226,562	8,470,037	34,005,409	81,819,823
Overdraft	308,268,882	290,334,108	197,345,364	52,161,546	40,827,198	-	-
Personal Loan	84,220,159	47,945,441	8,662,755	11,249,330	13,560,192	11,180,072	3,293,092
Term Loan	2,490,846,798	3,066,875,957	101,937,540	144,222,244	307,955,928	1,816,089,183	696,671,063
Time Loan	488,257,482	250,701,612	171,238,507	29,606,304	24,997,319	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	11,714,103	11,750,000	-	11,750,000	-	-	-
Bonds	-	-	-	-	-	-	-
-Financial instruments at amortised cost							
Treasury bills	163,046,971	164,058,561	16,792,000	132,611,061	14,655,500	-	-

Bonds	37,787,758	62,999,645	-	-	3,576,131	1,954,807	57,468,707
Promissory note	43,847,608	56,841,743	-	-	-	56,841,743	-
-Financial instruments at FVPL							
Treasury bills	-	-	-	-	-	-	-
Bonds	422,169	742,212	-	-	-	742,212	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	288,062,819	288,527,607	66,038,250	156,127,568	66,361,789	-	-
Bonds	221,303,331	264,159,799	-	-	-	105,417,630	158,742,169
Promissory note	7,509,390	8,591,524	1,754,980	3,395,055	3,392,262	49,227	-
-Financial assets at amortised cost							
Treasury bills	981,106,252	992,149,472	167,972,623	334,553,585	489,623,262	-	-
Total return notes	-	-	-	-	-	-	-
Bonds	367,764,885	629,310,232	5,904,195	-	34,226,922	106,536,797	482,642,319
Promissory note	9,810,493	11,072,596	427,536	-	-	10,645,060	-
Restricted deposit and other assets	1,630,239,003	1,630,239,003	235,068,849	50,762,292	29,637,969	-	1,314,769,895
	9,474,862,909	**10,155,331,142**	**2,467,116,622**	**1,099,960,229**	**1,510,630,799**	**2,226,400,447**	**2,851,223,050**
Deposits from financial institutions	1,758,573,492	3,025,852,487	1,433,819,219	648,226,088	943,807,180	-	-
Deposits from customers	5,974,755,925	5,975,462,067	4,911,231,570	984,883,043	67,626,239	11,721,214	-
Derivative financial instruments	10,099,966	10,099,968	5,717,298	2,024,104	314,299	2,044,267	-
Other liabilities	486,011,734	492,536,086	284,706,094	112,770,722	90,704,765	4,354,507	-
Debt securities issued	177,860,278	202,061,192	-	127,186,535	-	21,318,904	53,555,753
Interest bearing borrowings	842,541,570	1,069,222,044	23,749,972	547,963	901,669	317,558,905	726,463,535
	9,249,842,965	**10,775,233,845**	**6,659,224,153**	**1,875,638,455**	**1,103,354,152**	**356,997,797**	**780,019,288**
Gap (asset - liabilities)	225,019,945	(619,902,703)	(4,192,107,531)	(775,678,227)	407,276,647	1,869,402,650	2,071,203,764
Cumulative liquidity gap			(4,192,107,531)	(4,967,785,758)	(4,560,509,110)	(2,691,106,460)	(619,902,696)
Off-balance sheet							
Transaction related bonds and guarantees	465,918,522	465,918,521	27,427,305	35,725,254	84,457,935	186,450,684	131,857,343
Clean line facilities for letters of credit and other commitments	354,929,785	354,929,787	106,707,052	127,662,871	91,676,062	28,883,803	-
	820,848,308	**820,848,308**	**134,134,357**	**163,388,125**	**176,133,997**	**215,334,487**	**131,857,343**

Group **December 2020** *In thousands of Naira*	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	723,872,820	723,872,820	723,872,820	-	-	-	-
Investment under management	30,451,466	30,451,466	272,737	6,113,728	17,398,543	6,666,458	-
Non-pledged trading assets							
Treasury bills	116,036,126	116,472,852	18,126,442	30,461,550	67,884,860	-	-
Bonds	91,915,817	104,856,685	-	-	27,182,627	26,998,430	50,675,628
Derivative financial instruments	251,112,745	251,112,743	90,981,380	19,469,885	111,088,832	29,572,647	-
Loans and advances to banks	392,821,307	393,473,191	120,649,810	71,385,947	201,437,435	-	-
Loans and advances to customers							
Auto Loan	14,064,843	15,096,966	2,032,653	2,981,333	2,854,919	7,228,063	-
Credit Card	23,665,522	23,674,013	10,825,209	-	1,478,793	11,370,011	-
Finance Lease	4,054,704	4,819,748	1,431,230	865,778	1,218,758	1,303,981	-
Mortgage Loan	127,039,667	129,118,595	12,866,782	18,848,225	6,677,258	26,834,294	63,892,034
Overdraft	300,717,703	293,832,335	197,345,364	52,161,546	44,325,425	-	-
Personal Loan	29,343,128	36,189,272	6,899,330	7,134,671	9,092,848	9,769,332	3,293,092
Term Loan	2,336,404,437	3,043,171,143	99,567,059	141,140,618	302,740,868	1,804,236,776	695,485,822
Time Loan	382,817,024	247,404,594	169,589,998	28,847,990	24,107,124	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	999,521	1,000,000	1,000,000	-	-	-	-
Bonds	2,617,080	6,062,797	-	-	-	-	6,062,797
-Financial instruments at amortised cost							
Treasury bills	98,097,771	98,321,500	75,379,500	22,942,000	-	-	-
Bonds	41,833,930	69,672,238	-	-	-	6,228,524	63,443,714
-Financial instruments at FVPL							
Treasury bills	85,006,604	85,007,157	-	85,007,157	-	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	748,230,225	753,786,668	84,621,602	67,372,727	601,792,339	-	-
Bonds	219,614,874	286,812,774	-	-	-	61,617,252	225,195,521
Promissory note	80,033,790	94,615,750	-	-	3,918,084	90,697,665	-
-Financial assets at amortised cost							
Treasury bills	237,109,445	237,554,832	81,289,468	156,265,362	-	-	-
Total return notes	45,527,717	45,782,540	45,782,539	-	-	-	-
Bonds	277,439,999	481,528,893	-	-	14,791,234	85,350,814	381,386,846
Promissory note	427,535	427,535	-	-	427,536	-	-
Restricted deposit and other assets	1,522,315,072	1,522,315,072	114,651,029	78,265,416	20,669,518	-	1,308,729,111
	8,183,570,872	**9,096,434,179**	**1,857,184,953**	**789,263,935**	**1,459,087,002**	**2,192,719,089**	**2,798,179,206**
Deposits from financial institutions	958,397,171	1,121,577,122	543,577,670	285,461,925	152,486,962	-	140,050,565
Deposits from customers	5,587,418,213	5,588,356,718	4,616,606,840	954,258,162	16,890,478	601,238	-
Derivative financial instruments	20,880,529	20,880,531	15,308,822	2,089,088	1,094,687	2,387,933	-
Other liabilities	356,638,102	356,663,942	246,427,862	59,947,034	50,289,047	-	-
Debt securities issued	169,160,059	208,660,925	-	130,327,432	-	22,471,849	55,861,644
Interest bearing borrowings	791,455,237	1,089,796,656	30,072,422	-	22,780,398	271,669,117	765,274,718
	7,883,949,311	**8,385,935,894**	**5,451,993,615**	**1,432,083,643**	**243,541,572**	**297,130,139**	**961,186,927**
Gap (asset - liabilities)	299,621,563	710,498,285	(3,594,808,662)	(642,819,709)	1,215,545,430	1,895,588,950	1,836,992,281

Cumulative liquidity gap			(3,594,808,662)	(4,237,628,370)	(3,022,082,940)	(1,126,493,990)	710,498,290
Off-balance sheet							
Transaction related bonds and guarantees	378,808,847	378,808,911	42,043,481	33,078,734	68,139,169	158,142,511	77,405,016
Clean line facilities for letters of credit and other commitments	445,538,945	445,538,945	233,371,171	64,244,283	114,970,014	32,953,476	-
	824,347,792	**824,347,856**	**275,414,652**	**97,323,017**	**183,109,183**	**191,095,987**	**77,405,016**

5.3.: Residual contractual maturities of financial assets and liabilities

Bank June 2021 *In thousands of Naira*	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	997,884,070	998,199,453	998,199,453	-	-	-	-
Investment under management	31,611,718	31,611,717	2,185,897	5,229,113	16,466,664	7,730,043	-
Non-pledged trading assets							
Treasury bills	42,527,338	44,396,961	6,538,425	19,733,935	18,124,601	-	-
Bonds	2,746,465	31,797,835	349,806	-	-	188,675	31,259,354
Derivative financial instruments	182,269,354	182,269,354	4,445,327	58,700,851	117,078,909	2,044,267	-
Loans and advances to banks	206,089,405	207,194,385	51,553,676	52,040,785	103,599,924	-	-
Loans and advances to customers							
Auto Loan	4,015,298	5,268,507	1,049,807	720,787	1,184,080	2,313,833	-
Credit Card	21,014,038	22,195,220	10,825,209	-	-	11,370,011	-
Finance Lease	2,379,224	4,284,085	1,377,664	678,297	999,137	1,228,988	-
Mortgage Loan	3,879,389	4,568,148	411,738	165,658	449,736	1,924,205	1,616,811
Overdraft	294,647,098	276,191,732	197,345,364	52,161,546	26,684,822	-	-
Personal Loan	56,738,212	20,421,501	4,534,164	1,615,951	3,101,095	7,877,199	3,293,092
Term Loan	2,255,974,931	2,796,027,589	74,852,704	109,011,956	248,369,286	1,680,664,999	683,128,644
Time Loan	474,658,184	235,106,894	163,441,147	26,019,519	20,786,745	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	11,714,103	11,750,000	-	11,750,000	-	-	-
Bonds	-	-	-	-	-	-	-
-Financial instruments at amortised cost							
Treasury bills	163,046,971	164,058,561	16,792,000	132,611,061	14,655,500	-	-
Bonds	37,787,758	62,999,645	-	-	3,576,131	1,954,807	57,468,707
Promissory note	43,847,608	56,841,743	-	-	-	56,841,743	-
-Financial instruments at FVPL							
Treasury bills	-	-	-	-	-	-	-
Bonds	422,169	742,212	-	-	-	742,212	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	133,494,452	133,959,240	14,515,461	104,604,779	14,839,000	-	-
Bonds	43,987,179	86,843,647	-	-	-	16,759,554	70,084,093
Promissory note	7,509,391	8,591,524	1,754,980	3,395,055	3,392,262	49,227	-
-Financial assets at amortised cost							
Treasury bills	900,927,564	911,970,781	141,246,394	307,827,356	462,897,031	-	-
Credit linked notes	-	-	-	-	-	-	-
Bonds	318,374,211	579,919,556	5,904,195	-	17,763,363	90,073,238	466,178,760
Promissory note	9,810,495	11,072,596	427,536	-	-	10,645,060	-
Restricted deposit and other assets	1,554,763,902	1,554,763,901	204,715,417	47,074,719	29,637,968	-	1,273,335,797
	7,802,120,527	**8,443,046,786**	**1,902,466,364**	**933,341,367**	**1,103,606,255**	**1,917,252,904**	**2,586,379,898**
Deposits from financial institutions	1,579,353,651	2,846,632,645	1,374,079,272	588,486,140	884,067,232	-	-
Deposits from customers	4,872,251,742	4,872,957,883	4,242,908,027	550,702,403	67,626,239	11,721,214	-
Derivative financial instruments	9,765,338	9,765,338	5,549,983	1,856,790	314,299	2,044,267	-
Other liabilities	424,391,348	428,557,906	276,080,711	109,778,311	40,702,176	1,996,709	-
Debt securities issued	172,555,098	202,061,193	-	127,186,535	-	21,318,904	53,555,753
Interest bearing borrowings	780,828,678	1,007,509,152	23,749,972	547,963	901,669	255,846,013	726,463,535
	7,839,145,855	**9,367,484,117**	**5,922,367,965**	**1,378,558,142**	**993,611,615**	**292,927,107**	**780,019,288**

Gap (asset - liabilities)	(37,025,328)	(924,437,331)	(4,019,901,601)	(445,216,775)	109,994,640	1,624,325,797	1,806,360,610
Cumulative liquidity gap			(4,019,901,601)	(4,465,118,376)	(4,355,123,736)	(2,730,797,939)	(924,437,328)
Off balance-sheet							
Transaction related bonds and guarantees	433,036,772	433,036,776	20,850,956	29,148,905	77,881,586	179,874,335	125,280,994
Clean line facilities for letters of credit and other commitments	335,585,734	335,585,738	101,871,039	122,826,858	86,840,049	24,047,790	-
	768,622,506	**768,622,514**	**122,721,995**	**151,975,763**	**164,721,635**	**203,922,125**	**125,280,994**

Bank **December 2020** *In thousands of Naira*	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	589,812,439	589,812,438	589,812,438	-	-	-	-
Investment under management	30,451,466	30,451,466	272,737	6,113,728	17,398,543	6,666,458	-
Non-pledged trading assets							
Treasury bills	97,719,848	98,156,574	12,021,016	24,356,124	61,779,434	-	-
Bonds	12,563,265	24,175,206	-	-	288,801	104,604	23,781,802
Derivative financial instruments	244,564,046	244,564,046	89,344,205	17,832,711	109,451,658	27,935,472	-
Loans and advances to banks	231,788,276	232,086,899	120,649,810	71,385,947	40,051,141	-	-
Loans and advances to customers							
Auto Loan	4,243,504	5,268,507	1,049,807	720,787	1,184,080	2,313,833	-
Credit Card	22,189,872	22,195,220	10,825,209	-	-	11,370,011	-
Finance Lease	3,605,077	4,284,085	1,377,664	678,297	999,137	1,228,988	-
Mortgage Loan	3,031,432	4,568,148	411,738	165,658	449,736	1,924,205	1,616,811
Overdraft	283,473,925	276,191,732	197,345,364	52,161,546	26,684,822	-	-
Personal Loan	13,607,367	20,421,501	4,534,164	1,615,951	3,101,095	7,877,199	3,293,092
Term Loan	2,116,684,210	2,796,027,590	74,852,704	109,011,956	248,369,286	1,680,664,999	683,128,644
Time Loan	372,040,345	235,106,894	163,441,147	26,019,519	20,786,745	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	999,521	1,000,000	1,000,000	-	-	-	-
Bonds	2,617,080	6,062,797	-	-	-	-	6,062,797
-Financial instruments at amortised cost							
Treasury bills	98,097,771	98,321,500	75,379,500	22,942,000	-	-	-
Bonds	41,833,930	69,672,238	-	-	-	6,228,524	63,443,714
-Financial instruments at FVPL							
Treasury bills	85,006,603	85,007,157	-	85,007,157	-	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	608,866,687	614,430,806	38,169,648	20,920,773	555,340,385	-	-
Bonds	106,924,656	182,117,703	-	-	-	9,269,717	172,847,986
Promissory note	80,033,790	94,615,750	-	-	3,918,084	90,697,665	-
-Financial assets at amortised cost							
Treasury bills	194,302,056	195,216,894	60,120,500	135,096,394	-	-	-
Credit linked notes	45,527,717	45,782,539	45,782,539	-	-	-	-
Bonds	250,772,348	456,329,524	-	-	6,391,444	76,951,025	372,987,056
Promissory note	427,537	427,535	-	-	427,536	-	-
Restricted deposit and other assets	1,471,481,477	1,471,481,478	98,235,305	77,297,389	20,669,518	-	1,275,279,265
	7,012,666,245	**7,903,776,227**	**1,584,625,495**	**651,325,935**	**1,117,291,445**	**1,948,077,543**	**2,602,455,808**
Deposits from financial institutions	831,632,332	979,472,473	496,209,453	238,093,709	105,118,746	-	140,050,565
Deposits from customers	4,832,744,495	4,833,662,104	4,212,466,466	603,703,923	16,890,478	601,238	-
Derivative financial instruments	20,775,722	20,775,722	15,273,886	2,054,152	1,059,751	2,387,933	-
Other liabilities	322,955,910	322,955,917	243,520,501	58,857,861	20,577,556	-	-
Debt securities issued	169,160,059	208,660,925	-	130,327,432	-	22,471,849	55,861,644
Interest bearing borrowings	755,254,273	1,083,739,867	24,015,633	-	22,780,398	271,669,117	765,274,718
	6,932,522,792	**7,449,267,008**	**4,991,485,938**	**1,033,037,076**	**166,426,929**	**297,130,138**	**961,186,927**
Gap (asset - liabilities)	80,143,453	454,509,219	(3,406,860,444)	(381,711,141)	950,864,517	1,650,947,405	1,641,268,881

Cumulative liquidity gap			(3,406,860,444)	(3,788,571,585)	(2,837,707,068)	(1,186,759,663)	454,509,218
Off balance-sheet							
Transaction related bonds and guarantees	335,064,193	335,064,194	33,294,537	24,329,790	59,390,225	149,393,568	68,656,073
Clean line facilities for letters of credit and other commitments	341,751,564	341,751,565	207,424,326	38,297,439	89,023,169	7,006,631	-
	676,815,757	**676,815,759**	**240,718,863**	**62,627,229**	**148,413,394**	**156,400,199**	**68,656,073**

5.3.2

Group	June 2021			December 2020		
In thousands of Naira	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and balances with banks	1,364,570,882	-	**1,364,570,882**	723,872,820	-	**723,872,820**
Investments under management	23,881,676	7,730,042	**31,611,718**	23,785,009	6,666,457	**30,451,466**
Non pledged trading assets						
Treasury bills	61,602,125	-	**61,602,125**	116,036,126	-	**116,036,126**
Bonds	2,491,651	73,880,782	**76,372,433**	1,696,330	90,219,488	**91,915,817**
Derivative financial instruments	165,951,928	22,866,124	**188,818,052**	173,942,133	77,170,611	**251,112,744**
Loans and advances to banks	408,021,137	-	**408,021,137**	392,821,307	-	**392,821,307**
Loans and advances to customers						
Auto Loan	9,440,490	11,697,049	**21,137,539**	5,755,745	8,309,097	**14,064,843**
Credit Card	11,980,310	11,610,944	**23,591,254**	12,295,511	11,370,011	**23,665,522**
Finance Lease	1,607,244	1,443,879	**3,051,123**	2,478,138	1,576,566	**4,054,704**
Mortgage Loan	48,057,930	115,516,159	**163,574,089**	37,479,529	89,560,137	**127,039,667**
Overdraft	307,679,182	589,700	**308,268,882**	300,717,703	-	**300,717,703**
Personal Loan	71,554,162	12,665,996	**84,220,159**	16,169,043	13,174,085	**29,343,128**
Term Loan	232,273,181	2,258,573,617	**2,490,846,798**	234,737,019	2,101,667,417	**2,336,404,437**
Time Loan	461,366,959	26,890,523	**488,257,482**	382,817,024	-	**382,817,024**
Pledged assets						
Treasury bills	174,761,075	-	**174,761,075**	184,103,896	-	**184,103,896**
Bonds	6,181,201	32,028,725	**38,209,926**	-	44,451,010	**44,451,010**
Promissory note	-	43,847,608	**43,847,608**	-	-	**-**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	288,062,819	-	**288,062,819**	748,230,225	-	**748,230,225**
Bonds	-	221,303,331	**221,303,331**	3,947,114	215,667,759	**219,614,874**
Promissory note	5,156,014	2,353,377	**7,509,392**	-	80,033,790	**80,033,790**
-Financial assets at amortised cost						
Treasury bills	712,745,449	268,360,803	**981,106,252**	237,109,445	-	**237,109,445**
Bonds	26,909,081	340,855,806	**367,764,887**	5,029,820	272,410,180	**277,439,999**
Promissory note	-	427,536	**427,536**	-	427,536	**427,536**
Total return notes	-	-	**-**	45,527,717	-	**45,527,717**
Restricted deposit and other assets	154,047,953	1,476,191,052	**1,630,239,005**	154,047,953	1,368,267,121	**1,522,315,074**
	4,751,313,450	**4,928,833,054**	**9,467,175,502**	**4,031,154,514**	**4,380,971,268**	**8,183,570,875**
Deposits from financial institutions	1,758,573,492	-	**1,758,573,492**	958,397,171	-	**958,397,171**
Deposits from customers	3,582,988,404	2,391,767,521	**5,974,755,925**	3,283,925,347	2,303,492,866	**5,587,418,213**
Derivative financial instruments	7,245,274	2,624,870	**9,870,144**	12,374,376	8,506,153	**20,880,529**
Debt securities issued	125,560,797	52,299,481	**177,860,278**	122,195,240	46,964,818	**169,160,058**
Other liabilities	486,011,729	-	**486,011,729**	356,638,122	-	**356,638,122**
Interest-bearing borrowings	24,155,970	818,385,599	**842,541,569**	197,859,821	593,595,417	**791,455,237**
	5,984,535,666	**3,265,077,471**	**9,249,613,137**	**4,931,390,076**	**2,952,559,253**	**7,883,949,330**

Bank	June 2021 Within 12 months	June 2021 After 12 months	June 2021 Total	December 2020 Within 12 months	December 2020 After 12 months	December 2020 Total
In thousands of Naira						
Cash and balances with banks	997,884,070	-	**997,884,070**	589,812,439	-	**589,812,439**
Investment under management	23,881,676	7,730,042	**31,611,718**	23,785,009	6,666,457	**30,451,466**
Non pledged trading assets						
Treasury bills	42,527,338	-	**42,527,338**	97,719,848	-	**97,719,848**
Bonds	890,456	1,856,009	**2,746,465**	225,507	12,337,757	**12,563,265**
Derivative financial instruments	159,403,230	22,866,124	**182,269,354**	167,393,435	77,170,611	**244,564,046**
Loans and advances to banks	206,089,405	-	**206,089,405**	231,788,276	-	**231,788,276**
Loans and advances to customers						
Auto Loan	879,370	3,135,928	**4,015,298**	845,076	3,398,428	**4,243,504**
Credit Card	9,403,094	11,610,944	**21,014,038**	10,819,861	11,370,011	**22,189,872**
Finance Lease	1,029,411	1,349,813	**2,379,224**	2,091,459	1,513,618	**3,605,077**
Mortgage Loan	149,520	3,729,869	**3,879,389**	277,059	2,754,373	**3,031,432**
Overdraft	294,057,398	589,700	**294,647,098**	283,473,925	-	**283,473,925**
Personal Loan	47,370,050	9,368,162	**56,738,212**	2,321,574	11,285,793	**13,607,367**
Term Loan	126,580,840	2,129,394,091	**2,255,974,931**	135,862,917	1,980,821,292	**2,116,684,210**
Time Loan	447,767,661	26,890,523	**474,658,184**	372,040,345	-	**372,040,345**
Pledged assets						
Treasury bills	174,761,075	-	**174,761,075**	184,103,896	-	**184,103,896**
Bonds	3,366,359	34,843,568	**38,209,926**	-	44,451,010	**44,451,010**
Promissory note	-	43,847,608	**43,847,608**	-	-	**-**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	133,494,452	-	**133,494,452**	608,866,687	-	**608,866,687**
Bonds	-	43,987,179	**43,987,179**	1,912,888	105,011,768	**106,924,656**
Promissory note	106,885,079	-	**106,885,079**	16,575,739	88,436,029	**105,011,768**
-Financial assets at amortised cost						
Treasury bills	900,927,564	-	**900,927,564**	194,302,056	-	**194,302,056**
Bonds	22,643,307	305,541,399	**328,184,706**	4,561,362	246,638,524	**251,199,886**
Promissory note	-	9,810,495	**9,810,495**	-	427,537	**427,537**
Total return notes	-	-	**-**	45,527,717	-	**45,527,717**
Restricted deposit and other assets	138,891,681	1,415,872,221	**1,554,763,902**	138,891,681	1,332,589,796	**1,471,481,477**
	4,051,854,036	**4,072,423,675**	7,911,306,711	**3,341,753,658**	**3,924,873,008**	7,038,071,760
Deposits from financial institutions	1,579,353,651	-	**1,579,353,651**	831,632,332	-	**831,632,332**
Deposits from customers	4,859,695,408	12,556,335	**4,872,251,742**	4,831,524,005	1,220,488	**4,832,744,493**
Derivative financial instruments	7,140,468	2,624,870	**9,765,338**	12,269,570	8,506,153	**20,775,723**
Debt securities issued	125,560,797	46,994,301	**172,555,098**	122,195,240	46,964,818	**169,160,058**
Other liabilities	426,561,198	1,996,709	**428,557,907**	322,955,918	-	**322,955,918**
Interest-bearing borrowings	21,894,111	758,934,565	**780,828,677**	2,452,481	538,201,289	**540,653,770**
	7,020,205,634	**823,106,780**	7,843,312,416	**6,123,029,548**	**594,892,747**	6,717,922,296

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

	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
In thousands of Naira				
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	331,044,522	252,396,881	257,975,907	206,896,038
Add back IFRS impact(adjusted day one impact)	39,626,943	39,626,943	39,626,943	39,626,943
Other reserves	181,569,935	239,494,175	115,877,804	195,188,165
Non-controlling interests	11,007,105	7,338,726	-	-
	815,059,969	**790,668,188**	**665,292,117**	**693,522,609**
Add/(Less):				
Fair value reserve for fair value through other comprehensive income instruments	2,311,322	(60,106,564)	7,837,627	(59,574,139)
Foreign currency translation reserves	(34,439,368)	(18,132,330)	-	-
Other reserves	(2,370,229)	(876,762)	(1,466,060)	(876,761)
Total Tier 1	**780,561,692**	**711,552,532**	**671,663,683**	**633,071,707**
Add/(Less):				
Deferred tax assets	(5,338,759)	(4,240,448)	-	-
Regulatory risk reserve	(20,611,563)	(46,425,978)	(14,971,416)	(36,180,585)
Intangible assets	(68,381,568)	(69,189,845)	(63,155,380)	(67,496,079)
Adjusted Tier 1	**686,229,803**	**591,696,261**	**593,536,887**	**529,395,043**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 1	**686,229,803**	**591,696,261**	**505,304,957**	**447,269,277**
Tier 2 capital				
Debt securities issued	241,184,908	237,633,454	241,184,908	237,633,454
Fair value reserve for fair value through other comprehensive income instruments	(2,311,321)	60,106,564	(7,837,627)	59,574,139
Foreign currency translation reserves	34,439,371	18,132,330	-	-
Other reserves	2,370,227	876,762	1,466,060	876,761

Total Tier 2	**275,683,185**	**316,749,110**	**234,813,341**	**298,084,355**
Adjusted Tier 2 capital (33% of Tier 1)	**228,720,393**	**197,212,364**	**197,825,846**	**176,447,369**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 2	**228,720,393**	**197,212,364**	**109,593,915**	**94,321,603**
Total regulatory capital	**914,950,196**	**788,908,625**	**614,898,872**	**541,590,880**
Risk-weighted assets	**4,304,083,424**	**3,827,611,095**	**3,513,411,607**	**3,073,558,941**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	21.26%	20.61%	17.50%	17.62%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15.94%	15.46%	16.89%	17.22%

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	0.20	0.20	0.20	0.20
IFRS 9 Regulatory Transition Arrangement	**39,626,943**	**39,626,943**	**39,626,943**	**39,626,943**

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 year 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 June 2021	Group December 2020	Bank June 2021	Bank December 2020
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	331,044,522	252,396,881	257,975,907	206,896,038
Other reserves	181,569,935	239,494,175	115,877,804	195,188,165
Non-controlling interests	11,007,105	7,338,726	-	-
	775,433,026	**751,041,246**	**625,665,174**	**653,895,666**
Add/(Less):				
Fair value reserve for fair value through other comprehensive income instruments	2,311,322	(60,106,564)	7,837,627	(59,574,139)
Foreign currency translation reserves	(34,439,368)	(18,132,330)	-	-
Other reserves	(2,370,229)	(876,762)	(1,466,060)	(876,761)
Total Tier 1	**740,934,750**	**671,925,590**	**632,036,741**	**593,444,765**
Add/(Less):				
Deferred tax assets	(5,338,759)	(4,240,448)	-	-
Regulatory risk reserve	(20,611,563)	(46,425,978)	(14,971,416)	(36,180,585)
Intangible assets	(68,381,568)	(69,189,845)	(63,155,380)	(67,496,079)
Adjusted Tier 1	**646,602,861**	**552,069,319**	**553,909,946**	**489,768,101**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 1	**646,602,861**	**552,069,319**	**465,678,015**	**407,642,335**
Tier 2 capital				
Debt securities issued	241,184,908	237,633,454	241,184,908	237,633,454
Fair value reserve for fair value through other comprehensive income instruments	(2,311,322)	60,106,564	(7,837,627)	59,574,139
Foreign currency translation reserves	34,439,368	18,132,330	-	-
Other reserves	2,370,229	876,762	1,466,060	876,761
Total Tier 2	**275,683,184**	**316,749,110**	**234,813,341**	**298,084,355**
Adjusted Tier 2 capital (33% of Tier 1)	**215,512,734**	**184,004,704**	**184,618,185**	**163,239,708**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 2	**215,512,734**	**184,004,704**	**96,386,255**	**81,113,942**
Total regulatory capital	**862,115,594**	**736,074,023**	**562,064,270**	**488,756,278**
Risk-weighted assets	**4,237,962,600**	**3,761,490,271**	**3,447,290,783**	**3,007,438,117**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	20.34%	19.57%	16.30%	16.25%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15.26%	14.68%	16.07%	16.29%

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.

- **Retail banking** – The retail 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 June 2021**	**Group December 2020**
In thousands of Naira		
Other Assets	1,692,368,174	1,548,891,262
Deferred tax asset	5,338,759	4,240,448
Assets Held for Sale	35,050,303	28,318,467
Goodwill	11,782,171	11,782,171
	1,744,539,407	**1,593,232,348**
Other liabilities	492,536,093	379,416,786
Debt Securities issued	177,860,278	169,160,059
Interest-bearing loans and borrowings	842,541,570	791,455,237
Deferred tax liability	15,501,952	14,877,285
Retirement Benefit Obligation	4,983,041	4,941,268
Total liabilities	**1,533,422,934**	**1,359,850,635**

Material revenue and expenses	**Group June 2021**	**Group June 2020**
Interest expense on debt securities issued		
Interest expense on debts	(10,144,247)	(9,458,568)
	(10,144,247)	**(9,458,568)**

7a Operating segments (continued)
Group
June 2021

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Retail Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	167,895,455	139,352,296	24,770,020	118,603,138	-	450,620,909	450,620,909
Total Revenue	167,895,455	139,352,296	24,770,020	118,603,138	-	450,620,909	450,620,909
Interest Income	103,200,646	119,957,338	20,357,041	76,218,984	-	319,734,010	319,734,010
Interest expense	(54,884,041)	(38,900,298)	(7,529,429)	(18,352,414)	-	(119,666,182)	(119,666,182)
Impairment Losses	(11,763,077)	(11,986,427)	(2,040,836)	(2,878,666)	-	(28,669,006)	(28,669,006)
Profit/(Loss) on ordinary activities before	50,302,380	23,936,195	5,535,612	17,721,405	-	97,495,592	97,495,592
Income tax expense	(2,307,834)	(7,504,983)	(198,716)	(548,540)	-	(10,560,073)	(10,560,073)
Profit after tax	47,994,546	16,431,212	5,336,896	17,172,865		86,935,519	86,935,519
Assets and liabilities:							
Loans and Advances to banks and customers	1,789,445,385	1,833,058,214	156,097,665	212,367,197	-	3,990,968,461	3,990,968,461
Goodwill	-	-	-	-	11,782,171	11,782,171	11,782,171
Tangible segment assets	3,789,250,536	3,751,790,562	317,696,293	451,573,449	-	8,310,310,840	8,310,310,840
Unallocated segment assets	-	-	-	-	1,744,539,406	1,744,539,406	1,744,539,406
Total assets	3,789,250,536	3,751,790,562	317,696,293	451,573,449	1,744,539,406	10,054,850,246	10,054,850,246
Deposits from customers	1,844,844,859	1,281,218,830	480,697,949	2,367,994,287	-	5,974,755,925	5,974,755,925
Segment liabilities	2,714,041,391	1,875,502,614	707,530,943	3,469,321,186	-	8,766,396,134	8,766,396,134
Unallocated segment liabilities	-	-	-	-	513,021,086	513,021,086	513,021,086
Total liabilities	2,714,041,391	1,875,502,614	707,530,943	3,469,321,186	513,021,086	9,279,417,220	9,279,417,220
Net assets	1,075,209,145	1,876,287,948	(389,834,650)	(3,017,747,737)	1,231,518,320	775,433,026	775,433,028

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

June 2020
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	151,978,239	112,077,671	36,878,197	95,823,134	-	396,757,240	396,757,240
Total Revenue	151,978,239	112,077,671	36,878,197	95,823,134	-	396,757,240	396,757,240
Interest Income	95,053,875	77,867,918	21,638,099	52,162,628	-	246,722,520	246,722,520
Interest expense	(48,218,632)	(35,288,904)	(7,672,175)	(19,876,826)	(9,458,568)	(120,515,105)	(120,515,105)
Impairment Losses	(10,710,227)	(6,996,577)	1,026,212	214,901	-	(16,465,691)	(16,465,691)
taxation	38,320,699	20,843,786	7,503,209	7,638,529	-	74,306,223	74,306,223
Income tax expense	(6,368,077)	(3,898,826)	(2,007,316)	(997,209)	-	(13,271,428)	(13,271,428)
Profit after tax	31,952,622	16,944,961	5,495,892	6,641,319		61,034,795	61,034,795
December 2020							
Assets and liabilities:							
Loans and Advances to banks and customers	1,399,422,890	1,968,269,298	139,723,758	103,512,388	-	3,610,928,334	3,610,928,334
Goodwill	-	-	-	-	11,782,171	11,782,171	11,782,171
Tangible segment assets	2,902,215,495	3,649,593,596	299,874,846	234,831,429	-	7,086,515,366	7,086,515,366
Unallocated segment assets	-	-	-	-	1,593,232,348	1,593,232,348	1,593,232,348
Total assets	2,902,215,495	3,649,593,596	299,874,846	234,831,429	1,593,232,348	8,679,747,715	8,679,747,715
Deposits from customers	1,859,947,453	1,292,933,544	509,183,415	1,925,353,801	-	5,587,418,213	5,587,418,213
Segment liabilities	2,490,726,294	1,864,145,915	660,059,818	2,514,539,102	-	7,529,471,129	7,529,471,129
Unallocated segment liabilities	-	-	-	-	399,235,340	399,235,340	399,235,340
Total liabilities	2,490,726,294	1,864,145,915	660,059,818	2,514,539,102	399,235,340	7,928,706,469	7,928,706,469
Net assets	411,489,201	1,785,447,681	(360,184,972)	(2,279,707,673)	1,193,997,009	751,041,246	751,041,246

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

June 2021

In thousands of Naira	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Bargain purchase from acquisition	Profit from associate	Intercompany elimination	Total
Derived from external customers	353,739,124	64,033,074	30,123,865	447,896,064			(1,933,069)	445,962,994
					2,640,414	2,017,501		4,657,915
Total revenue	353,739,124	64,033,074	30,123,865	447,896,064	2,640,414	2,017,501	(1,933,069)	450,620,909
Interest income	253,806,364	47,118,358	20,742,355	321,667,077	-		(1,933,069)	319,734,008
Impairment losses	(22,856,006)	(2,222,088)	(3,590,914)	(28,669,008)	-		-	(28,669,008)
Interest expense	(100,883,440)	(17,029,781)	(3,686,030)	(121,599,251)	-		1,933,069	(119,666,182)
Net fee and commission income	44,512,399	8,740,100	5,474,637	58,727,136	-		-	58,727,136
Operating income	252,855,686	47,003,293	26,437,835	326,296,813	-		-	330,954,728
Profit before income tax	59,347,938	22,822,715	15,324,938	97,495,592	-		-	97,495,592
Assets and liabilities:								
Loans and advances to customers and banks	3,319,395,780	224,762,721	748,630,029	4,292,788,529	-		(301,820,069)	3,990,968,460
Total assets	8,488,588,283	1,057,617,466	1,151,678,718	10,697,884,467	-		(643,034,217)	10,054,850,247
Deposit from customers	4,872,251,742	673,082,145	429,422,039	5,974,755,926	-		-	5,974,755,926
Total liabilities	7,862,923,107	873,380,856	992,961,360	9,729,265,323	-		(449,848,105)	9,279,417,218
Net assets	625,665,176	184,236,610	158,717,358	968,619,144	-		(193,186,120)	775,433,025

June 2020	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Discontinued Operations	Intercompany elimination	Total
Derived from external customers	338,581,878	39,140,065	22,842,192	400,564,135	-	(3,806,896)	396,757,239
Total revenue	338,581,878	39,140,065	22,842,192	400,564,135	-	(3,806,896)	396,757,239
Interest income	205,325,877	27,438,900	17,764,637	250,529,414	-	(3,806,896)	246,722,518
Impairment losses	(14,768,613)	(215,958)	(1,481,119)	(16,465,690)	-	-	(16,465,690)
Interest expense	(108,233,080)	(10,504,577)	(5,584,345)	(124,322,002)	-	3,806,896	(120,515,106)
Net fee and commission income	31,847,885	9,951,518	(1,207,138)	40,592,264	-		40,592,264
Operating income	230,348,800	28,635,487	17,257,847	276,242,133	-	-	276,242,133
Profit before income tax	49,069,737	14,794,572	10,441,914	74,306,223	-	-	74,306,223
December 2020							
Assets and liabilities:							
Loans and advances to customers and banks	3,050,664,007	121,469,257	718,027,311	3,890,160,575	-	(279,232,242)	3,610,928,333
Total assets	7,624,979,718	642,141,020	937,200,529	9,204,321,267	-	(524,573,550)	8,679,747,714
Deposit from customers	4,832,744,495	421,675,525	332,998,195	5,587,418,214	-	-	5,587,418,214
Total liabilities	6,971,084,052	512,458,350	802,014,849	8,285,557,251	-	(356,850,777)	7,928,706,476
Net assets	653,895,666	129,682,670	135,185,680	918,764,016	-	(167,722,777)	751,041,239

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 30 June 2021 and for the period ended 31 December 2020.

8 Interest income

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Interest income				
Cash and balances with banks	5,167,092	5,390,063	2,552,743	4,230,752
Loans and advances to banks	7,951,874	6,724,059	2,587,808	4,273,731
Loans and advances to customers	174,427,121	160,606,501	142,452,640	139,053,006
Investment securities				
-Financial assets at FVOCI	73,613,168	21,617,886	59,651,714	9,615,304
-Financial assets at amortised cost	18,483,495	17,652,024	14,550,269	15,254,910
	279,642,751	211,990,533	221,795,174	172,427,703
-Financial assets at FVPL	40,091,259	34,731,987	32,011,190	32,898,173
	319,734,010	**246,722,520**	**253,806,364**	**205,325,876**
Interest expense				
Deposit from financial institutions	30,501,981	34,065,691	29,023,763	34,015,810
Deposit from customers	56,773,488	63,826,589	40,867,797	52,496,185
Debt securities issued	10,144,247	9,458,568	10,144,247	9,458,568
Lease liabilities	640,970	688,073	407,996	415,172
Interest bearing borrowings and other borrowed funds	21,605,496	12,476,185	20,439,637	11,847,345
	119,666,182	**120,515,106**	**100,883,440**	**108,233,080**
Net interest income	**200,067,828**	**126,207,414**	**152,922,925**	**97,092,796**

Interest income for the period ended 30 June 2021 includes interest accrued on impaired financial assets of Group: N1.533Bn (30 June 2020: N3.96Bn) and Bank: N1.53Bn (30 June 2020: N3.76Bn).

The Group experienced an increase in interest income attributable to rises in the yield of securities and increased level of trading activities during the period which is a strategy to stimulate the economy post the Covid wave experienced last period

The increase in Loans can be attributed to the re-evaluation of the loan books to ensure that the pricing of these loans are reflective of the current economic situations seeing that several moratoriums and waivers were implemented in the preceding period.

Interest expense for the Group experienced marginal decrease in line with the Group's drive to pursue low funding costs to drive down cost to deposit ratio

The increase in interest income is attributable to the increase in value of loans and advances to customers and repricing.

9 Net impairment charge on financial assets

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Allowance for impairment on loans and advance to banks (note 22)	(1,018,405)	(2,418,497)	(806,359)	(869,384)
Allowance for impairment on loans and advance to customers (note 23)	(26,598,042)	(13,324,286)	(21,466,808)	(13,180,506)
Allowance/(Write back) on impairment on financial assets in other assets (note 26)	525,387	(1,132,843)	678,927	(1,127,424)
(Write-back)/Allowance for impairment on off balance sheet items (note 34c)	(308,627)	800,376	(259,783)	778,839
Allowance for impairment on money market placement (note 18b)	(174,993)	(5,416)	(102,297)	(2,088)
Allowance for impairment on investment securities	(1,080,704)	(385,025)	(886,066)	(368,050)
Allowance for impairment on pledged assets	(13,620)	-	(13,620)	-
	(28,669,005)	(16,465,691)	(22,856,006)	(14,768,613)

10 (a) Fee and commission income

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Credit related fees and commissions	20,585,640	17,135,879	14,111,471	11,934,065
Account maintenance charge and handling commission	10,855,275	7,135,519	10,278,256	6,926,418
Commission on bills and letters of credit	2,143,990	930,988	2,052,198	847,526
Commissions on collections	756,500	447,590	244,644	380,129
Commission on other financial services	7,158,901	2,763,484	5,596,576	1,619,732
Commission on foreign currency denominated transactions	1,885,382	1,216,938	414,202	648,059
Channels and other E-business income	29,911,927	21,842,377	25,813,563	20,145,335
Retail account charges	417,198	302,139	269,823	194,792
	73,714,813	**51,774,914**	**58,780,733**	**42,696,056**

Credit related fees and commissions are fees charged to 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. The representation of all fees and commission recognised in the period and prior period at a point in time and over a period of time is as shown below.

	Group	Group	Bank	Bank
	June 2021	**June 2020**	**June 2021**	**June 2020**
Point in Time	67,561,365	48,149,233	56,510,179	41,839,399
Over Time	6,153,449	3,625,681	2,270,554	856,657
	73,714,814	**51,774,914**	**58,780,733**	**42,696,056**

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	June 2021	June 2020	June 2021	June 2020
Bank and electronic transfer charges	2,419,503	1,636,955	1,828,391	1,302,495
E-banking expense	12,568,174	9,545,695	12,439,943	9,545,676
	14,987,677	**11,182,650**	**14,268,334**	**10,848,171**

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. Fees and commissions expense includes the cost incurred to the bank for providing alternate platforms for the purposes of internet banking, mobile banking and online purchases. It also includes expenses incurred by the Bank on the various debit and credit cards issued.

11 Net (loss)/gain on financial instruments at fair value

a Net (loss)/gains on financial instruments at fair value through profit or loss

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Trading gains on Fixed income securities	58,968,727	10,237,942	50,383,888	7,931,983
Fair value (loss)/gains on Fixed income securities	(10,752,647)	7,096,963	(9,561,616)	6,310,859
Fair value (loss)/gains on non-hedging derivatives	(80,020,354)	103,245,900	(80,020,354)	102,947,998
Fair value gains on equity investments	23,858,669	13,714,710	23,858,670	13,714,711
Total Net gain on financial instruments at fair value through profit or loss	**(7,945,605)**	**134,295,515**	**(15,339,413)**	**130,905,551**

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

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Debt instruments at FVOCI				
Fixed income securities	(15,309,206)	545,105	(12,864,879)	458,072
	(15,309,206)	**545,105**	**(12,864,879)**	**458,072**
Total	**(23,254,811)**	**134,840,620**	**(28,204,292)**	**131,363,623**

Net gains/(loss) on financial instruments 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. Based on 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 (a) Net foreign exchange gain/(loss)

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Realised gain	66,042,110	-	62,413,300	-
Foreign exchange Gain/(loss) on items not hedged	2,152,912	-	2,152,912	-
Foreign exchange trading loss	-	(8,559,721)	-	(13,847,781)
Unrealised foreign exchange loss on revaluation	-	(57,663,177)	-	(55,639,653)
Total Net Foreign Exchange Loss	**68,195,022**	**(66,222,898)**	**64,566,213**	**(69,487,434)**

12 (b) Net loss on fair value hedge (Hedging ineffectiveness)

Net loss on fair value hedge (Hedging ineffectiveness)	(4,221,443)	-	(4,221,443)	-
	(4,221,443)	**-**	**(4,221,443)**	**-**

Jun-21 **Fair value hedges**	**Average strike price** **₦**	**Nominal amount of hedging instrument** **₦'000**	**Carrying amount of hedging instrument (Assets)** **₦'000**	**Changes in fair value used for calculating hedge ineffectiveness** **₦'000**
Hedging instrument	382.86	995,100,000	173,087,336	26,862,798

*The liabilities are interest bearing loans and deposits from financial institutions denominated in USD.
The hedging instrument is recognised within derivative financial assets on the statement of financial position.

	Carrying amount of hedged item		**Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item**		**Line item in the statement of financial position where the hedging instrument is located**
	Assets	**Liabilities**	**Assets**	**Liabilities**	
Jun-21	**₦'000**	**₦'000**	**₦'000**	**₦'000**	
Fair value hedges					
Foreign exchange risk on foreign currency loan - Interest bearing loan	-	297,387,562	-	6,258,171	Interest bearing borrowings
Foreign exchange risk on foreign currency loan - Deposit from financial institution	-	1,113,740,494	-	28,470,311	Deposit from financial institution

Jun 2021	**Hedge ratio**	**Change in the value of the hedging instrument recognised in other comprehensive income**	**Hedge ineffectiveness recognised in profit or loss**	**Line item in profit or loss (that includes hedge ineffectiveness)**	**Amount reclassified from the cash flow hedge reserve to profit or loss**
Fair value hedge		₦'000	₦'000		
Hedging reserve - Fair value changes in hedging instrument (forward element)	90%	26,862,798	(4,221,443)	Net loss on fair value hedge (Hedging ineffectiveness)	-

The following table shows the period in which the hedging contract ends:

Jun 2021	3 months	6 months	12 months	5 years	More than 5 years
Fair value hedging					
Hedging assets	-	72,986,120	100,101,216	-	-

For hedges of foreign currency liabilities, the Bank enters into hedge relationships where the critical terms of the hedging instrument are closely aligned with the terms of the hedged item. The Bank therefore performs a qualitative assessment of effectiveness. Sources of ineffectiveness include timing differences between the settlement dates of the hedged item and hedging instruments, quantity or notional amount differences between the hedged item and hedging instrument and credit risk of the Bank and its counterparty to the forward contract.

13 Other operating income

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Dividends on equity securities	2,625,898	2,312,433	2,625,897	2,312,433
Gain on disposal of property and equipment	-	2,449,085	-	2,445,199
Rental income	480	3,810	-	-
Bad debt recovered	3,371,985	22,359,337	3,262,530	22,338,219
Cash management charges	430,362	325,326	430,292	325,326
Income from agency and brokerage	645,937	118,348	209,786	118,348
Income from asset management	440,195	1,064,104	440,195	1,064,104
Income from other investments	4,360,696	878,511	684,309	56,734
Income from other financial services	1,929,049	131,131	1,358,540	23,394
	13,804,602	**29,642,085**	**9,011,549**	**28,683,757**

Included in income from agency and brokerage is an amount of N108.39Mn (Dec 2020: N30.65m) representing the referral commission earned from bancassurance products. The rental income of N0.48 million arises from arrangements where the Group is a lessor.

	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Point in Time	13,804,120	29,638,275	9,011,549	28,683,757
Over time	480	3,810	-	-
	13,804,599	**29,642,085**	**9,011,549**	**28,683,757**

14 Personnel expenses

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Wages and salaries	41,308,636	34,140,292	25,803,292	26,245,338
Increase in defined benefit obligation (see note 37 (a) (i))	376,821	384,828	376,821	384,828
Contributions to defined contribution plans	1,203,643	1,191,879	695,130	807,502
Restricted share performance plan (b)	715,390	534,382	589,294	394,282
	43,604,489	**36,251,381**	**27,464,537**	**27,831,950**

(a) Under the Restricted Share Performance Plan (RSPP), shares of the Bank are awarded to employees based on their performance at no cost to them. Under the terms of the plan, the shares vest over a 3 year period from the date of award. The scheme applies to only employees of the Bank that meet the stipulated performance criteria irrespective of where they work within the Group. Some members of the Group also have a similar scheme, over the vesting period of 7 periods. The RSPP is an equity-settled scheme, where the Bank recognizes an expense and a corresponding increase in equity. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions.

By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding twenty (20) per cent of the aggregate emoluments of the Bank's employees in each financial period to purchase shares of the Bank from the floor of the Nigerian Stock Exchange for the purpose of the plan. The Bank has also established a Structured Entity (SE) to hold shares of the Bank purchased. Upon vesting, the SE transfers the shares to the employee whose interest has vested. The SE is consolidated in the Group's financial statements.

(i) The shares allocated to staff has a contractual vesting period of three to seven years commencing from the year of purchase/allocation to the staff. The Group has no legal or constructive obligation to repurchase or settle on a cash basis.

(ii) The number and weighted-average exercise prices of shares has been detailed in table below;

Group

Description of shares	June 2021 Number of Shares	June 2021 Weighted Share Price per Share - Naira	June 2020 Number of Shares	June 2020 Weighted Share Price per Share - Naira
(i) Outstanding at the beginning of the period;	706,765,575	7.30	522,296,572	7.93
(ii) Granted during the period;	255,646,521	8.45	139,165,301	6.08
(iii) Forfeited during the period;	(241,192,055)	7.01	(87,191,262)	9.36
(iv) Exercised during the period;	(7,549,372)	8.41	(181,372,881)	5.66
(v) Allocated at the end of the period;	713,670,669	7.65	392,897,730	8.42
(vi) Shares under the scheme at the end of the period	826,685,095	7.50	563,504,767	8.28
	Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the period	715,390	7.65	1,020,115	8.42

	Grant Date	Vesting period	Expiry date	Shares
Outstanding allocated shares for the 2018 - 2025 vesting period	1 July 2018	2018-2025	1 Jul 2025	29,598,218
Outstanding allocated shares for the 2019 - 2026 vesting period	1 Jan 2019	2019-2026	1 Jan 2026	114,128,288
Outstanding allocated shares for the 2019 - 2026 vesting period	1 July 2019	2019-2026	1 Jul 2026	110,221,393
Outstanding allocated shares for the 2020 - 2027 vesting period	1 Jul 2020	2020-2027	1 Jul 2027	212,043,799
Outstanding allocated shares for the 2021 - 2028 vesting period	1 Jan 2021	2021 - 2028	1 Jan 2028	247,678,970
				713,670,669

Bank

Description of shares	June 2021 Number of Shares	June 2021 Weighted Share Price per Share - Naira	June 2020 Number of Shares	June 2020 Weighted Share Price per Share - Naira
(i) Outstanding at the beginning of the period;	614,553,629	7.30	451,894,911	8.04
(ii) Granted during the period;	218,714,327	8.45	138,115,518	6.80
(iii) Forfeited during the period;	(241,192,055)	7.01	(87,191,262)	9.36
(iv) Exercised during the period;	-	-	(181,372,881)	5.66
(v) Allocated at the end of the period;	**592,075,901**	7.31	**321,446,286**	9.17
(vi) Shares under the scheme at the end of the period	705,090,327	7.50	492,053,323	8.28
	Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the period	589,294	7.31	985,315	9.17

	Grant Date	Vesting period	Expiry date	Shares
Outstanding allocated shares for the 2018 - 2021 vesting period	1 July 2018	2018-2021	1 Jul 2021	6,545,232
Outstanding allocated shares for the 2019 - 2022 vesting period	1 Jan 2019	2019-2022	1 Jan 2022	91,075,302
Outstanding allocated shares for the 2019 - 2022 vesting period	1 July 2019	2019-2022	1 Jul 2022	87,168,407
Outstanding allocated shares for the 2020 - 2023 vesting period	1 Jul 2020	2020-2023	1 Jul 2023	196,539,438
Outstanding allocated shares for the 2021 - 2024 vesting period	1 Jan 2021	2021 - 2024	1 Jan 2024	210,747,522
				592,075,901

i. The weighted average remaining contractual life of the outstanding allocated shares is :

	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
	years	years	years	years
Weighted average contractual life of remaining shares	5.70	1.47	1.78	1.30

Under the restricted share performance plan, N826.69million worth of shares were granted to employees of the Bank at a wieghted average fair value of N6.7 per share on grant date. The fair value of shares is the grant date fair value of each ordinary shares of the Bank listed on the floor of the Nigerian Stock Exchange

ii. The average number of persons other than directors, in employment at the Group level during the period comprise:

	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
	Number	Number	Number	Number
Managerial	432	344	277	283
Other staff	6,065	6,273	4,846	5,293
	6,497	**6,617**	**5,123**	**5,576**

iii. Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
	Number	Number	Number	Number
Below N900,000	-	-	-	-
N900,001 - N1,990,000	-	-	-	-
N1,990,001 - N2,990,000	701	607	701	607
N2,990,001 - N3,910,000	3	1,354	3	1,085
N3,910,001 - N4,740,000	731	5	432	5
N4,740,001 - N5,740,000	4	1,779	4	1,561
N5,740,001 - N6,760,000	1,895	-	1,563	-
N6,760,001 - N7,489,000	-	1,039	-	830
N7,489,001 - N8,760,000	1,187	848	921	680
N8,760,001 - N9,190,000	914	-	720	-
N9,190,001 - N11,360,000	-	637	-	521
N11,360,001 - N14,950,000	628	1	500	1
N14,950,001 - N17,950,000	-	153	-	130
N17,950,001 - N21,940,000	211	98	131	83
N21,940,001 - N26,250,000	93	48	77	38
N26,250,001 - N30,260,000	-	26	-	22
N30,261,001 - N45,329,000	86	16	60	13
Above N45,329,000	44	6	11	-
	6,497	**6,617**	**5,123**	**5,576**

15 Other operating expenses

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Premises and equipment costs	9,243,855	6,985,188	6,670,242	6,191,376
Professional fees	5,609,900	5,398,828	2,407,603	4,550,329
Insurance	787,052	774,448	325,078	635,256
Business travel expenses	4,186,845	4,308,468	3,950,924	4,090,752
Asset Management Corporation of Nigeria (AMCON) surcharge	41,508,977	35,435,426	41,508,977	35,435,426
Bank charges	1,887,016	2,236,588	1,228,109	1,801,033
Deposit insurance premium	9,964,468	7,535,271	9,767,042	7,399,689
Auditor's remuneration	693,253	467,094	322,500	322,500
Administrative expenses	7,584,998	7,732,099	10,531,913	7,352,316
Board expenses	896,138	712,990	605,446	535,207
Communication expenses	1,684,291	3,466,305	669,388	2,838,588
IT and e-business expenses	13,835,474	12,090,773	10,183,501	10,594,185
Outsourcing costs	9,656,610	11,393,808	8,940,574	10,843,976
Advertisements and marketing expenses	3,416,681	6,697,700	2,762,643	6,428,879
Recruitment and training	742,003	2,338,779	576,756	2,198,954
Events, charities and sponsorship	3,356,633	4,339,033	3,198,611	4,181,505
Periodicals and Subscriptions	562,241	254,781	317,978	135,615
Security expenses	2,599,244	2,642,667	2,061,706	2,338,714
Loss on disposal of property and equipment	80,274	-	104,439	-
Modification gain on loans	3,123,582	-	3,123,582	-
Cash processing and management cost	1,580,618	3,253,103	1,467,032	3,160,706
Stationeries, postage and printing	1,116,436	952,812	850,321	791,723
Office provisions and entertainment	212,612	330,979	121,657	175,633
Rent expenses	1,784,692	1,328,377	1,031,829	1,009,364
	126,113,891	**120,675,520**	**112,727,852**	**113,011,728**

16 Income tax

In thousands of Naira	Group June 2021	Group June 2020	Bank June 2021	Bank June 2020
Current tax expense				
Corporate income tax	7,655,653	6,524,898	-	-
Minimum tax	871,637	1,715,347	871,637	1,715,347
IT tax	593,479	490,697	593,479	490,698
Education tax	664,840	-	664,840	-
Capital gains tax	-	-	-	-
Police fund tax levy	-	2,454	-	2,453
	9,785,609	8,733,396	2,129,955	2,208,498
Deferred tax expense				
Origination of temporary differences	774,464	4,538,032	(923,870)	4,285,371
Income tax expense	10,560,073	13,271,428	1,206,086	6,493,869
Items included in OCI	-	145,140	-	145,140

The computation of the Bank's income tax expense and deferred tax was carried out in accordance with the Finance Act, CITA and other relevant tax laws. The changes made by the new act was incorporated in the Bank tax computation and it is believed by the management of the Bank that there is no uncertainty over its Income and Deferred tax treatment that relevant tax authorities may disagree with.

The movement in the current income tax liability is as follows:

	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Balance at the beginning of the period	2,159,921	3,531,410	2,546,893	1,409,436
Acquired from business combination	-	-	-	-
Tax paid	(9,095,524)	(12,165,887)	(1,029,121)	(833,942)
Income tax charge	9,785,609	11,388,177	2,129,955	2,614,990
Prior period's under/excess provision	-	-	-	-
Withholding tax utilization	-	(643,591)	-	(643,591)
Translation adjustments	(285,101)	49,812	-	-
Balance at the end of the period	**2,564,906**	**2,159,921**	**3,647,728**	**2,546,893**

Income tax liability is to be settled within one year

Income tax for the Bank has been assessed under the minimum tax regulation.

In thousands of Naira	Group June 2021	Group June 2021	Group June 2020	Group June 2020
Profit before income tax		97,495,592		74,306,223
Income tax using the domestic tax rate	30%	29,248,679	30%	22,291,867
Effect of tax rates in foreign jurisdictions	0%	-	-5%	(3,626,283)
Information technology tax	1%	593,479	1%	494,215
Capital allowance utilised for the period	0%	-	0%	
Non-deductible expenses	55%	53,518,244	16%	11,984,379
Tax exempt income	-85%	(82,766,923)	-36%	(26,736,031)
Tax losses unutilised	0%	-	0%	
Education tax levy	1%	664,840	0%	9,895
Capital gain tax	0%	-	0%	
Origination and reversal of temporary deferred tax diff	1%	774,464	12%	8,853,387
Company income Tax	8%	7,655,653	0%	-
Minimum tax effect	1%	871,637	0%	-
Effective tax rate	**11%**	**10,560,073**	**18%**	**13,271,429**

In thousands of Naira	**Bank June 2021**	**Bank June 2021**	**Bank June 2020**	**Bank June 2020**
Profit before income tax		59,347,938		49,069,737
Income tax using the domestic tax rate	30%	17,804,382	30%	14,720,922
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	593,479	1%	490,697
Non-deductible expenses	77%	45,874,923	19%	9,155,758
Tax exempt income	-107%	(63,679,305)	-54%	(26,729,348)
Education tax levy	1%	664,840	0%	-
Capital gain tax	0%		0%	-
Nigerian Police fund levy	0%		0%	2,453
Effect of prior period under provision	0%		0%	-
Capital allowance	0%		18%	8,853,387
Origination and reversal of temporary deferred tax differences	-2%	(923,870)	0%	-
Company income Tax	0%		0%	-
Minimum tax effect	1%	871,637	0%	-
Effective tax rate	**2%**	**1,206,087**	**13%**	**6,493,869**

Current income tax liabilities are due within 12 months from the period end date

Classified as:				
Current	2,564,906	2,159,921	3,647,728	2,546,893
Non current	-	-	-	-

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 June 2021	Group June 2020	Bank June 2021	Bank June 2020
Profit for the period from continuing operations	86,100,280	60,358,951	58,141,851	42,575,870
Weighted average number of ordinary shares in issue	35,545,226	35,545,226	35,545,226	35,545,226
Weighted average number of treasury Shares	826,685	729,103	-	-
	34,718,541	34,816,123	35,545,226	35,545,226
In kobo per share				
Basic earnings per share from continuing operations	248	173	164	120

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 June 2021	Group June 2020	Bank June 2021	Bank June 2020
Profit for the period from continuing operations	86,100,280	60,358,951	58,141,851	42,575,870
Weighted average number of Total shares in issue	34,718,541	34,816,123	35,545,226	35,545,226
Weighted average number of treasury shares in issue	826,685	729,103	-	-
Weighted average number of ordinary shares in issue	35,545,226	35,545,226	35,545,226	35,545,226
In kobo per share				
Diluted earnings per share from continuing operations	242	170	164	120

18 Cash and balances with banks

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Cash on hand and balances with banks (see note (i))	1,001,281,643	536,708,368	753,498,926	489,653,107
Unrestricted balances with central banks	93,764,198	51,127,105	32,912,351	13,639,189
Money market placements	159,334,311	89,783,183	101,038,665	40,095,277
Other deposits with central banks (see note (ii)	110,570,581	46,459,022	110,570,581	46,459,022
	1,364,950,733	**724,077,678**	**998,020,523**	**589,846,595**
ECL on Placements	(379,851)	(204,858)	(136,453)	(34,156)
	1,364,570,882	**723,872,820**	**997,884,070**	**589,812,440**

(i) Included in cash on hand and balances with banks is an amount of N46.26Bn (31 Dec 2020: N33.93Bn) 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 N110.57bn 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 June 2021	Group December 2020	Bank June 2021	Bank December 2020
Opening balance at beginning of the period	204,858	91,446	34,156	1,275
Acquired from business combination	-	-	-	-
-Charge for the period	174,993	113,412	102,297	32,881
Closing balance	**379,851**	**204,858**	**136,453**	**34,156**

19 Investment under management

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Relating to unclaimed dividends:				
Government bonds	4,884,375	3,882,771	4,884,375	3,882,771
Placements	7,415,012	6,386,464	7,415,012	6,386,464
Commercial paper	6,258,213	4,132,806	6,258,213	4,132,806
Nigerian treasury bills	4,987,447	6,156,666	4,987,447	6,156,666
Mutual funds	5,221,004	7,109,072	5,221,004	7,109,072
Eurobonds	2,845,667	2,783,687	2,845,667	2,783,687
	31,611,718	**30,451,466**	**31,611,718**	**30,451,466**

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. An impairment test was carried out on the assets under management and the resulting impairments were considered immaterial.

20 Non pledged trading assets

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Government bonds	76,342,322	91,841,202	2,716,354	12,488,649
Eurobonds	30,111	74,615	30,111	74,615
Treasury bills	61,602,125	116,036,126	42,527,338	97,719,848
	137,974,558	**207,951,943**	**45,273,803**	**110,283,112**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	June 2021		December 2020	
Group				
Foreign exchange derivatives				
Total derivative assets	**1,279,321,905**	**187,122,508**	**1,132,096,948**	**251,112,745**
Non-deliverable future contracts	-	2,358,567	-	9,126,853
Forward and swap contracts	1,279,321,905	184,763,941	1,132,096,948	241,985,892
Total derivative liabilities	**326,346,376**	**(10,099,966)**	**301,693,689**	**(20,880,529)**
Non-deliverable future contracts	-	(2,358,565)	-	(9,126,851)
Forward and swap contracts	326,346,376	(7,741,401)	301,693,689	(11,753,678)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	June 2021		December 2020	
Bank				
Foreign exchange derivatives				
Total derivative assets	**1,237,196,237**	**182,269,354**	**1,089,971,280**	**244,564,046**
Non-deliverable future contracts	-	2,358,567	-	9,126,853
Forward and swap contracts	1,237,196,237	179,910,787	1,089,971,280	235,437,193
Total derivative liabilities	**252,548,947**	**(9,765,338)**	**227,896,259**	**(20,775,722)**
Non-deliverable future contracts	-	(2,358,566)	-	(9,126,852)
Forward and swap contracts	252,548,947	(7,406,772)	227,896,259	(11,648,870)

	June 2021 Fair Value	
Derivative Assets	**Group**	**Bank**
Current (Hedging Instruments)	174,412,146	173,087,336
Non- Current (Hedging Instruments)	-	-
Current (Non-Hedging Instruments)	2,610,395	-
Non- Current (Non-Hedging Instruments)	-	-
Derivative Liabilities		
Current (Non-Hedging Instruments)	-	(583,319)
Non- Current (Non-Hedging Instruments)	-	-
Current (Non-Hedging Instruments)	-	-
Non- Current (Non-Hedging Instruments)	-	-

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. Derivative contracts are valued with reference to data obtained from sources such as Bloomberg and FMDQ.

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

22 Loans and advances to banks

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Loans and advances to banks	409,295,914	393,473,191	207,194,385	232,086,898
Less allowance for impairment losses	(1,274,777)	(651,884)	(1,104,980)	(298,622)
	408,021,137	**392,821,307**	**206,089,405**	**231,788,276**

Group

Impairment allowance for loans and advances to banks

In thousands of Naira	June 2021			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade:				
Investment	1,186,663	-	-	1,186,663
Standard grade	19,149	-	-	19,149
Non Investment	-	-	68,966	68,966
Total	**1,205,812**	**-**	**68,966**	**1,274,778**

	June 2021			
	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2021	599,449	-	52,435	651,883
-Charge for the period:				
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	1,001,940	-	16,465	1,018,405
Amounts written off	-	-	-	-
Foreign exchange revaluation	(395,575)	-	65	(395,510)
At 30 June 2021	**1,205,812**	**-**	**68,966**	**1,274,778**

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	599,261	-	-	599,261
Standard grade	188	-	-	188
Non Investment	-	-	52,435	52,435
Total	**599,449**	**-**	**52,435**	**651,884**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	270,188	-	1,354,935	1,625,122
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the period	329,619	-	859,330	1,188,950
Amounts written off	-	-	(2,162,188)	(2,162,188)
At 31 December 2020	**599,449**	**-**	**52,435**	**651,884**

Bank

Loans to banks

In thousands of Naira	June 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
Internal rating grade:				
Investment	1,016,865	-	-	1,016,865
Standard grade	-	-	68,966	68,966
Non Investment	19,149	-	-	19,149
Individually impaired				-
Total	**1,036,014**	**-**	**68,966**	**1,104,980**

	June 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2021	246,121	-	52,501	298,621
-Charge for the period:				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	789,894	-	16,465	806,359
At 30 June 2021	**1,036,014**	**-**	**68,966**	**1,104,980**

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	245,933	-	-	245,933
Standard grade	188	-	-	188
Non Investment	-	-	52,501	52,501
Total	**246,121**	**-**	**52,501**	**298,622**

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	7,053	-	1,354,935	1,361,987
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the period	239,426	-	859,396	1,098,823
Amounts written off	-	-	(2,162,189)	(2,162,189)
At 31 December 2020	**246,121**	**-**	**52,501**	**298,621**

23 Loans and advances to customers

a Group

	June 2021
In thousands of Naira	
Loans to individuals	
Retail Exposures	
Auto Loan	19,267,612
Credit Card	25,436,789
Finance Lease (note 23c)	1,226,422
Mortgage Loan	124,316,180
Overdraft	14,148,585
Personal Loan	87,776,812
Term Loan	18,589,094
Time Loan	10,080,354
	300,841,847
Less allowance for expected credit loss	(13,030,432)
	287,811,416
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,153,658
Credit Card	289,117
Finance Lease (note 23c)	2,179,763
Mortgage Loan	40,503,421
Overdraft	318,564,384
Personal Loan	-
Term Loan	2,558,099,459
Time Loan	482,651,328
	3,404,441,131
Less allowance for expected credit loss	(109,305,223)
	3,295,135,909
Loans and advances to customers (Individual and corporate entities and other organizations)	3,705,282,979
Less allowance for expected credit loss	(122,335,654)
	3,582,947,324

Management overlays are made to the impairment models to factor in additional facts that are not fully reflected in the impairment model at period end. These overlays are incorporated into the future model developments where applicable.

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira

	June 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment				-
Standard grade	-	-	-	-
Non-Investment	5,689,472	828,662	-	6,518,135
Sub-standard grade	-	425,636	6,086,661	6,512,297
Total	**5,689,472**	**1,254,298**	**6,086,661**	**13,030,432**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	629,734	761,045	2,621,276	4,012,055
- Charge for the period:				
Transfers to Stage 1	984,646	(62,854)	(921,792)	-
Transfers to Stage 2	(460,295)	1,641,694	(1,181,398)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the period	4,405,273	754,388	3,669,657	8,829,318
Amounts written off	-	-	-	-
Translation difference	156,129	9,878	23,051	189,058
At 30 June 2021	**5,689,472**	**1,254,298**	**6,086,661**	**13,030,432**

Loans to corporate entities and other organizations

In thousands of Naira

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,742,920	3,019,429	-	18,762,348
Standard grade	20,182,481	8,897,459	11,895,444	40,975,384
Non-Investment	-	10,082,022	39,485,469	49,567,491
Total	**35,925,400**	**21,998,909**	**51,380,914**	**109,305,224**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	31,989,893	58,230,704	54,829,504	145,050,100
- Charge for the period:				-
Transfers to Stage 1	14,761,238	(14,672,652)	(88,586)	-
Transfers to Stage 2	(3,211,296)	7,105,847	(3,894,550)	-
Transfers to Stage 3	(2,236,890)	(46,195,008)	48,431,898	-
Total net P&L charge during the period	(5,845,447)	16,188,743	7,425,428	17,768,724
Amounts written off	-	-	(57,545,862)	(57,545,862)
Translation difference	467,902	1,341,276	2,223,081	4,032,260
At 30 June 2021	**35,925,400**	**21,998,909**	**51,380,914**	**109,305,224**

Group

In thousands of Naira	December 2020
Loans to individuals	
Retail Exposures	
Auto Loan	12,131,274
Credit Card	23,808,948
Finance Lease (note 23c)	1,581,736
Mortgage Loan	71,940,949
Overdraft	12,603,063
Personal Loan	29,890,378
Term Loan	50,830,204
Time Loan	6,517,424
	209,303,977
Less Allowance for ECL/Impairment losses	(4,012,055)
	205,291,922
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,002,632
Credit Card	291,342
Finance Lease (note 23c)	2,665,738
Mortgage Loan	55,758,103
Overdraft	341,613,983
Personal Loan	-
Term Loan	2,370,093,900
Time Loan	385,431,589
	3,157,857,287
Less Alowance for ECL/Impairment losses	(145,042,183)
	3,012,815,104
Loans and advances to customers (Individual and corporate entities and other organizations)	3,367,161,264
Less Allowance for ECL/Impairment losses	(149,054,237)
	3,218,107,027

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade				-
Non-Investment	629,734	431,507	-	1,061,241
Sub-standard grade	-	329,538	2,621,276	2,950,813
Total	**629,734**	**761,045**	**2,621,276**	**4,012,055**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	712,723	1,223,765	3,239,997	5,176,485
Transfers to Stage 1	64,055	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(44,509)	(1,628,858)	1,673,367	-
Total net P&L charge during the period	7,057	1,401,115	983,277	2,391,449
Amounts written off	-	-	(2,819,383)	(2,819,383)
Foreign exchange revaluation	(69,238)	(283,037)	(384,222)	(736,497)
At 31 December 2020	**629,734**	**761,045**	**2,621,276**	**4,012,055**

Loans to corporate entities and other organizations

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,886,487	4,326,734	-	20,213,221
Standard grade	16,103,406	45,509,751	-	61,613,157
Non-Investment	-	8,394,219	54,829,504	63,223,723
Total	**31,989,893**	**58,230,704**	**54,829,504**	**145,050,101**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	20,708,736	109,914,849	55,590,669	186,214,254
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	-
Transfers to Stage 2	(1,580,280)	24,981,107	(23,400,827)	-
Transfers to Stage 3	(10,867,992)	(70,888,932)	81,756,924	-
Total net P&L charge during the period	8,473,613	5,842,676	43,638,394	57,954,683
Amounts written off	-	-	(102,338,382)	(102,338,382)
Translation difference	2,326,193	1,282,802	(389,449)	3,219,546
At 31 December 2020	**31,989,893**	**58,230,704**	**54,829,505**	**145,050,100**

23 Loans and advances to customers

b Bank

In thousands of Naira	June 2021
Loans to individuals	
Retail Exposures	
Auto Loan	2,136,028
Credit Card	22,855,649
Finance Lease (note 23c)	1,036,677
Mortgage Loan	4,413,577
Overdraft	13,316,307
Personal Loan	60,252,872
Term Loan	16,955,355
Time Loan	2,457,810
	123,424,276
Less Allowance for Expected credit loss	(11,481,794)
	111,942,482
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	
Credit Card	2,153,658
Finance Lease (note 23c)	288,917
Mortgage Loan	1,584,742
Overdraft	305,254,286
Term Loan	2,288,884,828
Time Loan	474,679,152
	3,072,845,583
Less Allowance for Expected credit loss	(71,481,690)
	3,001,363,893
Loans and advances to customers (Individual and corporate entities and other organizations)	3,196,269,859
Less Allowance for Expected credit loss	(82,963,484)
	3,113,306,375

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	June 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	5,610,728	828,662	-	6,439,390
Non-Investment	-	5,667	5,036,737	5,042,405
Total	**5,610,728**	**834,329**	**5,036,737**	**11,481,795**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	569,710	440,920	1,820,964	2,831,594
- Charge for the period:				
Transfers to Stage 1	984,646	(62,854)	(921,792)	-
Transfers to Stage 2	(460,295)	1,641,694	(1,181,398)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the period	4,542,681	664,422	3,536,033	8,743,136
Amounts written off	-	-	(92,936)	(92,936)
At 30 June 2021	**5,610,727**	**834,329**	**5,036,737**	**11,481,794**

Loans to corporate entities and other organizations

In thousands of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,233,706	3,019,429	-	18,253,135
Standard grade	18,145,627	8,897,459	11,895,444	38,938,530
Non-Investment	-	2,745	14,287,280	14,290,025
Sub-standard grade	-	-	-	
Total	**33,379,333**	**11,919,633**	**26,182,724**	**71,481,690**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	30,049,135	50,547,709	35,614,100	116,210,945
- Charge for the period:				
Transfers to Stage 1	14,761,238	(14,672,652)	(88,586)	-
Transfers to Stage 2	(3,211,296)	7,105,847	(3,894,550)	-
Transfers to Stage 3	(2,236,890)	(41,040,159)	43,277,048	-
Total net P&L charge during the period	(5,982,855)	9,978,888	8,727,638	12,723,671
Amounts written off	-	-	(57,452,926)	(57,452,926)
Foreign exchange revaluation	-	-	-	-
At 30 June 2021	**33,379,333**	**11,919,632**	**26,182,724**	**71,481,689**

23 Loans and advances to customers

b Bank

In thousands of Naira	December 2020
Loans to individuals	
Retail Exposures	
Auto Loan	2,302,812
Credit Card	22,330,433
Finance Lease (note 23c)	1,476,588
Mortgage Loan	3,148,606
Overdraft	12,137,933
Personal Loan	14,122,606
Term Loan	49,911,419
Time Loan	3,316,596
	108,746,993
Less Allowance for ECL/Impairment losses	(2,831,594)
	105,915,399
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,002,632
Credit Card	291,064
Finance Lease (note 23c)	2,235,225
Mortgage Loan	-
Overdraft	324,438,511
Term Loan	2,123,869,130
Time Loan	376,334,715
	2,829,171,277
Less Allowance for ECL/Impairment losses	(116,210,945)
	2,712,960,332
Loans and advances to customers (Individual and corporate entities and other organizations)	2,937,918,270
Less Allowance for ECL/Impairment losses	(119,042,539)
	2,818,875,731

Impairment allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira

	December 2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	-
Standard grade	569,710	431,507	-	1,001,217
Non-Investment	-	9,413	1,820,964	1,830,377
Total	**569,710**	**440,920**	**1,820,964**	**2,831,594**

	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
Transfers to Stage 1	64,054	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the year	(60,790)	1,125,492	104,078	1,168,779
Amounts written off	-	-	(3,114,129)	(3,114,129)
At 31 December 2020	**569,710**	**440,920**	**1,820,964**	**2,831,594**

Loans to corporate entities and other organizations

In thousands of Naira

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,498,335	4,326,734	-	19,825,069
Standard grade	14,550,801	45,509,751	-	60,060,552
Non-Investment	-	711,224	35,614,100	36,325,324
Sub-standard grade	-	-	-	-
Total	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2020	18,388,166	107,357,776	50,476,533	176,222,475
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	-
Transfers to Stage 2	(1,580,279)	24,981,106	(23,400,828)	-
Transfers to Stage 3	(1,800,198)	(68,961,472)	70,761,670	-
Total net P&L charge during the year	2,799,880	286,524	33,246,089	36,332,493
Amounts written off	-	-	(91,705,461)	(91,705,461)
Foreign exchange revaluation	(688,055)	(214,427)	(3,736,079)	(4,638,561)
At 31 December 2020	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

Modified loans:

	Group June 2021	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Amortized Cost before modification	12,771,046	-	12,771,046	-
Modification gain/(loss)	(3,123,582)	-	(3,123,582)	-
Amortized Cost after modication	**9,647,464**	**-**	**9,647,464**	**-**

23(c) Advances under finance leases

Loans and advances to customers at amortised cost include the following finance lease receivables for leases of certain property, automobile/vehicle and equipment where the group is the lessor:

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Gross investment in finance lease, receivable	4,021,911	4,732,127	2,979,193	4,167,001
Unearned finance income on finance leases	(534,124)	(728,818)	(420,570)	(548,919)
Net investment in finance leases	3,487,788	4,003,309	2,558,624	3,618,082
Gross investment in finance leases, receivable:				
Less than one period	3,217,529	3,336,464	2,335,155	2,938,013
Between one and five periods	804,382	1,395,662	644,039	1,228,988
Later than five periods	-	-	-	-
	4,021,910	4,732,127	2,979,193	4,167,001
Unearned finance income on finance leases	(534,124)	(728,818)	(420,570)	(548,919)
Present value of minimum lease payments	3,487,787	4,003,309	2,558,624	3,618,082
Present value of minimum lease payments may be analysed as:				
- Less than one period	2,720,474	2,802,316	1,961,510	2,532,657
- Between one and five periods	767,313	1,200,993	597,114	1,085,425
- Later than five periods	-	-	-	-

24 Pledged assets

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
-Financial instruments at FVOCI				
Treasury bills	11,714,103	999,521	11,714,103	999,521
Government bonds	-	2,617,080	-	2,617,080
Promissory note	-	-	-	-
	11,714,103	3,616,601	11,714,103	3,616,601
-Financial instruments at amortised cost				
Treasury bills	163,046,971	98,097,771	163,046,971	98,097,771
Government bonds	37,787,758	41,833,930	37,787,758	41,833,930
Promissory note	43,847,608	-	43,847,608	-
	244,682,337	139,931,701	244,682,337	139,931,701
ECL on financial assets at amortized cost	(22,525)	(9,370)	(22,525)	(9,370)
	244,659,812	139,922,331	244,659,812	139,922,331
-Financial instruments at FVPL				
Treasury bills	-	85,006,603	-	85,006,603
Government bonds	422,169	-	422,169	-
Promissory note	-	-	-	-
	422,169	85,006,603	422,169	85,006,603
	256,796,084	**228,545,535**	**256,796,084**	**228,545,535**

The Financial instruments at FVPL have been designated at fair value through profit or loss by the Group

ECL allowance on pledged assets at fair value through other comprehensive income

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Opening balance	431	-	431	-
Additional allowance	465	431	465	431
Allowance written back	-	-	-	-
Balance, end of period	**896**	**431**	**896**	**431**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on pledged assets at amortized cost

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020

Opening balance	9,370	-	9,370	-
Additional allowance	13,155	9,370	13,155	9,370
Allowance written back	-	-	-	-
Balance, end of period	**22,525**	**9,370**	**22,525**	**9,370**

The related liability for assets pledged as collateral include:

Central Bank of Nigeria (CBN)	265,912,141	265,728,206	265,912,141	265,728,206
Bank of Industry (BOI)	22,503,246	43,116,940	22,503,246	43,116,940
	288,415,387	**308,845,146**	**288,415,387**	**308,845,146**

The other counterparties included in this category of pledged assets include FIRS, Valucard, 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. 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 June 2021**	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Equity securities at fair value through profit or loss (see note (i) below)	165,349,327	141,765,576	165,077,398	141,735,053

At fair value through other comprehensive income *In thousands of Naira*	**June 2021**	**December 2020**	**June 2021**	**December 2020**
Debt securities				
Government bonds	171,067,494	150,094,494	-	44,296,019
Treasury bills	288,062,819	748,230,225	133,494,452	608,866,687
Eurobonds	21,132,819	22,032,870	14,884,161	15,141,127
Corporate bonds	-	15,745,714	-	15,745,714
State government bonds	29,103,018	31,741,795	29,103,018	31,741,795
Promissory notes	7,509,390	80,033,790	7,509,391	80,033,790
	516,875,539	1,047,878,888	184,991,022	795,825,132
Changes in fair value of FVOCI instruments	(59,085,298)	57,683,203	(67,337,954)	58,444,389
Changes in allowance on FVOCI financial instruments	54,324	301,003	(73,812)	294,278
Net fair value changes in FVOCI instruments	**(59,030,973)**	**57,984,206**	**(67,411,766)**	**58,738,667**

At amortised cost *In thousands of Naira*				
Debt securities				
Treasury bills	981,106,252	237,109,445	900,927,564	194,302,056
Total return notes	-	45,527,717	-	45,527,717
Federal government bonds	350,881,100	271,536,033	302,046,124	245,366,108
State government bonds	3,603,219	4,933,952	3,603,219	4,933,952
FGN Promissory notes	9,810,494	427,536	9,810,495	427,537
Corporate bonds	12,724,868	472,288	12,724,868	472,288
Eurobonds	555,698	497,726	-	-
Gross amount	1,358,681,629	560,504,699	1,229,112,270	491,029,658
ECL on financial assets at amortized cost	(1,149,471)	(600,016)	(1,037,774)	(550,186)
Carrying amount	1,357,532,160	559,904,681	1,228,074,496	490,479,472
Total	**2,039,757,026**	**1,749,549,145**	**1,578,142,916**	**1,428,039,657**

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	**Group June 2021**	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Opening balance at 1 January	412,099	111,096	357,990	63,712
Additional allowance	128,136	301,003	-	294,278
Allowance written back	(73,811)	-	(73,811)	-
Balance, end of period	**466,424**	**412,099**	**284,179**	**357,990**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on investments at amortized cost

In thousands of Naira	**Group June 2021**	**Group December 2020**	**Bank June 2021**	**Bank December 2020**
Opening balance at 1 January 2021/1 Jan 2020	600,016	559,223	550,186	534,188
Acquired from business combination	4,481	-	-	-
-Charge for the year	1,026,379	42,672	959,876	17,877
Allowance written back	-	(1,879)	-	(1,879)
Revaluation difference	43,145	-	-	-
Write off	(524,550)	-	(472,288)	-
Balance, end of period	**1,149,471**	**600,016**	**1,037,774**	**550,186**

(i) Equity securities at FVPL (carrying amount)

Central securities clearing system limited	6,937,500	5,643,750	6,937,500	5,643,750
Nigeria interbank settlement system plc.	17,665,370	7,802,112	17,665,370	7,802,112
Unified payment services limited	5,444,370	4,058,931	5,444,370	4,058,931
Africa finance corporation	126,844,590	114,520,852	126,844,590	114,520,852
E-Tranzact	472,723	534,682	472,723	534,682
African export-import bank	95,405	49,851	95,405	49,851
FMDQ Holdings	3,332,927	3,332,927	3,332,927	3,332,927
Nigerian mortage refinance company plc.	323,333	323,333	323,333	323,333
Credit reference company	505,630	792,743	505,630	792,743
NG Clearing Limited	483,965	213,223	483,965	213,223
Capital Alliance Equity Fund	4,342,319	4,412,649	4,342,319	4,412,649
Shared agent network expansion facility	50,000	50,000	50,000	50,000
Others	271,931	30,523	-	-
	166,770,061	**141,765,576**	**166,498,130**	**141,735,053**

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 period end- stage classificaton.

Group — **June 2021**

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	171,067,494	182,243
Treasury bills	288,062,819	37,136
Eurobonds	21,132,819	54,556
Corporate bonds	-	-
State government bonds	29,103,018	191,628
Promissory notes	7,509,390	859
Total	**516,875,539**	**466,422**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	350,881,100	27,183	350,853,917
Treasury bills	981,106,252	83,250	981,023,002
Total return notes	-	-	-
Eurobonds	555,696	111,639	444,056
Corporate bonds	12,724,868	907,120	11,817,749
State government bonds	3,603,219	18,098	3,585,121
FGN Promissory notes	9,810,494	2,182	9,808,312
Total	**1,358,681,631**	**1,149,472**	**1,357,532,159**

Bank

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	-	-
Treasury bills	133,494,452	37,136
Eurobonds	14,884,161	54,556
Corporate bonds	-	-
State government bonds	29,103,018	191,628
Promissory notes	7,509,391	859
Total	**184,991,022**	**284,179**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	302,046,124	18,006	302,028,117
Treasury bills	900,927,564	61,678	900,865,886
Total return notes	-	-	-
Eurobonds	-	-	-
Corporate bonds	12,724,868	937,810	11,787,059
State government bonds	3,603,219	18,098	3,585,121
Promissory notes	9,810,495	2,182	9,808,313
Total	**1,229,112,270**	**1,037,774**	**1,228,074,496**

Group

Debt instruments at fair value through other comprehensive income — **June 2021**
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	331,884,518	-	-	331,884,518
Standard grade	180,747,673	-	-	180,747,673
Non-Investment	4,243,349	-	-	4,243,349
Total	**516,875,540**	**-**	**-**	**516,875,540**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	412,099	-	-	412,099
- Charge for the period	128,134	-	-	128,134
Write Back	(73,811)	-	-	(73,811)
At 30 June 2021	**466,422**	**-**	**-**	**466,422**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	115,002,758	-	-	115,002,758
Standard grade	1,240,984,040	-	472,288	1,241,456,328
Non-Investment	1,073,074	-	-	1,073,074
Total	**1,357,059,873**	**-**	**472,288**	**1,357,532,160**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	127,729	-	472,288	600,016
Acquired from business combination	4,481	-	-	4,481
- Charge for the period	118,903	885,903	21,573	1,026,379
Amounts written off	-	-	(524,550)	(524,550)
Foreign exchange adjustments	-	-	43,145	43,145
Write back	-	-	-	-
At 30 June 2021	**251,113**	**885,903**	**12,455**	**1,149,471**

June 2021

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	-	-	-	-
Standard grade	180,747,673	-	-	180,747,673
Non-Investment	4,243,349	-	-	4,243,349
Total	**184,991,022**	**-**	**-**	**184,991,022**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	357,990	-	-	357,990
- Charge for the period	-	-	-	-
Write back	(73,811)	-	-	(73,811)
At 30 June 2021	**284,179**	**-**	**-**	**284,179**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	3,170,911	-	-	3,170,910
Standard grade	1,217,823,630	-	-	1,217,823,630
Non-Investment	635,057	7,482,672	-	8,117,729
Total	**1,221,629,597**	**7,482,672**	**-**	**1,229,112,268**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	77,898	-	472,288	550,185
- Charge for the period	30,829	929,047	-	959,875
Write back	-	-	(472,288)	(472,288)
At 30 June 2021	**108,727**	**929,047**	**-**	**1,037,774**

26 Restricted deposits and other assets

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Financial assets				
Accounts receivable	237,299,817	120,801,111	206,687,177	104,210,867
Receivable on E-business channels	50,762,292	78,265,416	47,074,719	77,297,389
Deposit for investment in AGSMEIS (see note (a)below)	17,365,456	13,363,490	17,365,456	13,363,490
Subscription for investment (see note (b)below)	12,755,991	7,306,029	12,755,990	7,306,028
Restricted deposits with central banks (see note (c)below)	1,314,769,895	1,308,729,111	1,273,335,797	1,275,279,265
	1,632,953,452	1,528,465,157	1,557,219,141	1,477,457,039
Non-financial assets				
Prepayments	58,939,132	22,858,594	47,774,580	15,835,561
Inventory (see note (d)below)	3,190,037	3,717,594	2,594,509	3,316,020
	62,129,170	26,576,188	50,369,089	19,151,581
Gross other assets	1,695,082,621	1,555,041,344	1,607,588,230	1,496,608,620
Allowance for impairment on other assets				
Financial assets	(2,230,968)	(5,254,712)	(1,971,760)	(5,136,728)
Non-financial assets	(483,479)	(895,371)	(483,479)	(838,833)
	(2,714,447)	(6,150,083)	(2,455,239)	(5,975,562)
	1,692,368,174	**1,548,891,262**	**1,605,132,990**	**1,490,633,059**
Classified as:				
Current	347,960,309	220,388,002	302,159,226	195,523,102
Non current	1,344,407,865	1,328,503,260	1,302,973,764	1,295,109,955
	1,692,368,174	**1,548,891,262**	**1,605,132,990**	**1,490,633,058**

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 2020	5,984,322	25,002	5,819,761	25,001
ECL allowance for the period:				
Acquired from business combination	210,546	-	-	-
- Additional provision	2,634,937	-	2,431,517	-
- Provision no longer required	-	-	-	-
Net impairment	2,845,484	-	2,431,517	-
Allowance written back	-	(25,002)	-	(25,001)
Allowance written off	(2,275,717)	-	(2,275,717)	-
-Transalation difference	(404,006)	-	-	-
Balance as at 31 December 2020/1 January 2021	6,150,083	-	5,975,560	-
ECL allowance for the period:				
- Additional provision	153,541	-	-	-
- Writeback	(678,927)	-	(678,927)	-
Net ECL allowance	(525,386)	-	(678,927)	-
Acquired from business combination	26,430	-	-	-
Allowance written back	-	-	-	-
- Write Off	(2,841,394)	-	(2,841,394)	-
-Translation difference	(95,286)	-	-	-
Balance as at 30 June 2021	2,714,447	-	2,455,239	-

(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.

(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.

27a Investments in associates

In thousands of Naira	Group June 2021	Bank June 2021
Balance, beginning of period	-	-
Cost of acquisition	1,971,977	1,971,977
Reclassification (See note (a) below)	516,324	516,324
Share of profit for the period	8,303	-
		-
Balance, end of period	2,496,604	2,488,301

Set out below are the summarised financial information for associates which are accounted for using the equity method.

	E-tranzact June 2021
Assets	
Cash and balances with banks	7,355,898
Inventories	266,234
Trade and other receivables	705,110
Other assets	676,943
Deposit for shares	456,755
Intangible assets	149,631
Investment property	265,761
Property, plant and equipment	786,620
Total Assets	10,662,952
Financed by:	
Current tax liabilities	177,507
Trade and other payables	7,962,913
Long Term Loan	397,740
Deferred Grant Income	107,291
Deferred Tax Liabilities	-
Total Liabilities	8,645,451
Net Assets	**2,017,501**

Reconciliation to carrying amounts:

	June 2021
Opening Net Assets (1 January 2021)	(1,582,290)
Additions through right issue	3,540,232
Profit/ (loss) for the period	59,559
Other comprehensive income	-
Closing net assets (30 June 2021)	2,017,501

Summary statement of comprehensive income	**June 2021**
Revenue	11,203,328
Cost of sales	(10,115,401)
Selling and marketing costs	(16,034)
Adminsitrative expenses	(1,042,746)
Other income	24,310
Finance cost	(11,570)
Investment income	45,699
Taxation	(28,027)
Profit For the period	59,559

Reconciliation of net asset in associate

Interest in Associate's net asset - (Etz: 23.27%)	469,473
Notional goodwill on investment in associate	2,850,943
Impact of changes in net assets	(823,812)
Carrying amount of investment in associates	2,496,605
Carrying value	2,496,604
Difference	-

E-tranzact (ETRAN), a fully integrated fintech platform in Africa was founded in 2003 and is one of the leading independent players in Lagos, Nigeria with a diversified license and product capabilities. The company has enjoyed continuous and consistent growth in top line revenue and subscriber base and activity over the past 5 years and is position for continuous growth post Covid.

The Group holds an equity interest of 1,544,128,848 ordinary shares of N 1.00 each in E-tranzact International Plc as at 30 June 2021, representing 23.27% equity participation in the company. No dividend income was received from ETRAN during the period. The group's effective ownership in ETRAN increased from 5.46% in 2020 to 23.27% in 2021 as the bank acquired more shares from the company. The proportion of the Bank's interest is the same as the proportion of voting rights. As at 30th June, the fair value of the Bank's investment was N3.18Bn

There are published price quotations for the associate on the Nigerian Stock Exchange. There are no significant restrictions on the ability of the associates to transfer funds to the group in the form of cash dividends, or repayments of loans or advances. The associate was accounted for using the equity method.

The Group exercises significant influence in E-tranzact International Limited by virtue of its more than 20% shareholding in the entity and the representation of one director on the board of the company and significant participation in the company's operating and financial policies.

The exisiting investment the Bank had in Etranzact was initially recognized in the books under equity instruments measured at Fair value through profit or loss. At the point of increasing the stakes of the Bank in Etranzact by means of the Right issue, the existing shares were reclasified to investment in associates at their fair value.

27(b) Subsidiaries (with continuing operations)

(i) Group entities

Set out below are the group's subsidiaries as at 30 June 2021. 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**	**June 2021**	**December 2020**
Access Bank Gambia Limited	Banking	Gambia	88.00%	88%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	99.19%	99.19%
Access Bank Rwanda Limited	Banking	Rwanda	91.22%	91.22%
Access Bank Zambia	Banking	Zambia	70.00%	70%
The Access Bank UK	Banking	United Kingdom	100.00%	100%
Access Bank R.D. Congo	Banking	Congo	99.98%	100%
Access Bank Ghana	Banking	Ghana	93.40%	93%
Access Pension Fund Custodian	Custody	Nigeria	100.00%	100%
Access Bank Guinea S.A	Banking	Guinea	100.00%	100%
Access Bank Mozambique	Banking	Mozambique	99.98%	99.98%
Access Bank Kenya	Banking	Kenya	99.98%	99.98%
Access Bank South Africa	Banking	South Africa	90.35%	0%

The obligation to Diamond finance B.V. matured on the 27th March, 2021. The obligations were fully paid to the obligors at maturity. The Directors have unanimously agreed to voluntarily wound down the entity. The entity is currently undergoing liquidation process as at period end

Access Guinea has obtained operating license but is yet to commence operations as at end of the reporting period.

The Bank acquired Gro Bank of South Africa during the period now (Access Bank South Africa). The central Bank of South Africa granted approval for the acquisition on the 4th May, 2021. The Bank has 90.35% ownership in the subsidiary

Access Zambia acquired Cavmont Bank during the period. The acquisition was completed on the 4th January, 2021. Access Zambia has 100% ownership of Cavmont

Access Mozambique acquired BancABC during the period. The acquisition was completed on the 17th May, 2021. Access Mozambique has 99.997% ownership of BancABC

(ii) Structured entities:

			Ownership interest	
	Nature of business	**Country of incorporation**	**June 2021**	**December 2020**
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%
Diamond Finance BV	Banking	Netherlands	100%	100%

27(c)(i) Investment in subsidiaries

In thousands of Naira	**Bank June 2021**	**Bank December 2020**
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	5,220,925
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	3,398,136
Access Bank, Guinea	5,441,100	5,441,100
Access Bank, Mozambique	15,309,709	15,309,709
Access Bank, Kenya	11,614,775	11,614,775
Investment in RSPP scheme	5,285,488	4,484,842
Access Bank Pension Fund Custodian	2,000,000	2,000,000
Access Bank, South Africa	11,411,683	-
Balance, end of period	**176,463,861**	**164,251,532**

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 N176.46Bn

-

27 (d) Condensed results of consolidated entities

(i) The condensed financial data of tl June 2021 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	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa
Operating income	26,345,211	24,589,992	2,234,451	5,085,573	4,163,821	653,581	1,066,106	-	26,566	-	319,877	7,945,382	2,136,646	4,993,243
Operating expenses	(7,431,789)	(8,443,137)	(1,471,347)	(3,009,033)	(2,546,755)	(420,779)	(641,215)	-	(24,134)	-	(200,272)	(6,805,962)	(1,435,935)	(5,818,155)
Net impairment loss on financial assets	(3,590,914)	(907,587)	(180,651)	-	(509,156)	8,173	-	-	-	-	591	(429,529)	(5,043)	(198,886)
Profit before tax	15,322,506	15,239,268	582,453	2,076,540	1,107,910	240,975	424,891	-	2,432	-	120,196	709,892	695,668	(1,023,798)
Income tax expense	(3,567,060)	(5,199,634)	(217,950)	-	(394,018)	(65,063)	-	-	446	-	-	-	-	-
Profit for the period	11,755,445	10,039,634	364,503	2,076,540	713,891	175,911	424,891	-	2,878	-	120,196	709,892	695,668	(1,023,798)
Assets														
Cash and cash equivalents	234,317,390	98,554,135	14,041,973	75,265,146	33,965,225	14,318,889	3,833,254	-	18,440	5,441,100	3,372,047	42,604,208	9,964,691	16,745,825
Non pledged trading assets	-	92,295,701	-	-	-	-	-	-	-	-	-	-	405,054	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	265,774	4,013,251	-	-	-	-	-	-	-	-	-	-	445,550
Loans and advances to banks	387,635,553	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	360,996,959	78,502,943	13,545,678	15,240,018	17,917,692	1,674,884	1,533,795	-	-	-	-	32,221,983	11,322,606	52,803,120
Investment securities	145,784,300	182,406,202	22,545,704	-	44,258,633	9,703,394	12,659,240	-	-	-	201,964	12,834,663	16,985,802	14,234,215
Investment properties	-	-	-	-	-	-	-		-	-	-	-	-	-
Other assets	12,275,286	13,207,614	1,439,678	1,561,945	13,234,848	4,482,279	764,768	-	3,430	-	101,763	10,088,363	1,205,951	414,469
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	1,035,782	-	-	-	-	-	-	6,321,273	-	-	-	-	-	-
Property and equipment	2,267,221	19,963,019	1,754,999	6,154,608	2,073,841	1,169,963	963,087	-	-	-	832,933	9,254,517	1,261,314	1,604,374
Intangible assets	1,023,084	108,258	380,006	167,609	438,208	151,711	377,988	-	-	-	91,315	710,036	74,239	1,930,647
Deferred tax assets	-	2,021,737	-	-	311,244	-	-	-	-	-	-	2,673,145	332,631	-
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	190,000	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,145,335,575	487,325,383	57,721,289	98,389,326	112,199,691	31,501,120	20,132,132	6,321,273	21,870	5,441,100	4,790,022	110,386,915	41,552,288	88,178,200
Financed by:														
Deposits from banks	555,099,253	31,053,378	-	-	23,333,378	7,973,478	410,829	-	2,365	-	118	2,800,519	4,690,493	(0)
Deposits from customers	429,422,039	295,046,592	42,376,784	69,342,227	69,309,128	17,900,310	13,244,147	-	-	-	-	75,099,558	28,310,680	62,452,719
Derivative Liability	206,051	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	-	5,305,180
Retirement benefit obligations	2,373	14,234	-	-	5,464	-	-	-	-	-	-	-	-	-
Current tax liabilities	-	(1,347,310)	178,434	-	85,878	-	-	-	372	-	-	-	-	-
Other liabilities	8,124,160	29,541,156	2,025,480	6,330,876	7,830,179	1,223,397	1,696,051	-	3,699	-	91,194	4,502,114	2,525,741	3,916,645
Interest-bearing loans and borrowings	-	42,241,728	4,016,196	5,749,240	3,838,397	-	-	-	-	-	-	2,642,162	-	3,225,170
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	101,048	3,700,512	173,173	-	-	36,616	21,574	-	-	-	33,805	433,235	-	-
Equity	152,380,653	87,075,093	8,951,222	16,966,982	7,797,268	4,367,320	4,759,534	6,321,273	15,432	5,441,100	4,665,103	24,909,326	6,025,374	13,278,488
	1,145,335,575	487,325,383	57,721,289	98,389,325	112,199,692	31,501,121	20,132,135	6,321,273	21,868	5,441,100	4,790,220	110,386,914	41,552,288	88,178,202
Net cashflows from investing activities	(522,455)	(127,644,017)	(7,246,987)	(783,496)	(36,005,840)	(795,028)	(4,733,889)	-	-	-	(202,012)	(9,119,651)	(366,511)	-
Net cashflows from financing activities	156,940,587	(11,686,180)	4,016,196	(323,820)	(33,002,754)	-	410,660	-	-	-	-	-	-	-
Net cashflows from operating activities	157,463,043	60,374,729	(5,689,430)	26,179,981	89,747,357	2,026,128	5,431,094	-	-	-	88,976	1,082,961	3,481,553	-
									-	-				
Increase in cash and cash equivalents	165,825,784	(78,955,468)	(8,920,221)	25,072,665	20,738,763	3,993,709	1,107,866	-	-	-	(113,036)	(8,036,690)	3,115,042	-
Cash and cash equivalent, beginning of period	68,492,244	6,813,749	23,991,958	49,593,598	13,406,791	6,874,470	1,608,994	-	-	-	3,435,189	11,518,515	5,474,163	-
Effect of exchange rate fluctuations on cash held	(720,343)	3,482,813	-	-	-	-	-	-	-	-	-	(65,892)	-	-
Cash and cash equivalent, end of period	233,597,687	(68,658,906)	15,071,736	74,666,263	34,145,554	10,868,179	2,716,860	-	-	-	3,322,153	3,415,933	8,589,205	-

27 (e) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at December 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	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC
Operating income	38,428,533	40,218,339	4,148,186	7,447,932	3,508,052	1,079,923	1,698,025	-	27,672	-	587,869
Operating expenses	(9,949,070)	(15,639,551)	(2,729,461)	(5,213,383)	(2,192,067)	(858,099)	(933,736)	-	(22,756)	-	(406,351)
Net impairment loss on financial assets	(21,209,659)	(1,198,967)	(33,389)	(237,725)	(462,930)	(10,523)	(1,336)	-	-	-	(1,283)
Profit before tax	7,269,804	23,379,821	1,385,336	1,996,824	853,055	211,301	762,953	-	4,915	-	180,235
Income tax expense	(1,381,263)	(7,542,440)	(447,891)	-	(273,575)	(54,844)	-	-	(873)	-	(52,609)
Profit for the year	5,888,541	15,837,381	937,446	1,996,824	579,481	156,456	762,953	-	4,043	-	127,626
Assets											
Cash and cash equivalents	63,364,931	63,260,587	22,333,660	46,756,250	12,253,895	8,585,568	2,328,412	-	15,714	5,441,100	3,543,678
Non pledged trading assets	-	97,316,595	-	-	(42,383)	-	-	-	-	-	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	4,750,080	1,798,618	-	-	-	-	-	-	-	-	-
Loans and advances to banks	333,225,682	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	364,424,736	67,768,331	11,946,904	19,553,103	6,192,467	1,041,309	1,253,181	-	20,376,893	-	45,043
Investment securities	134,875,103	121,041,959	18,558,626	-	15,842,191	8,235,318	7,741,028	-	-	-	-
Investment properties	-	-	-	-	-	-	-		-	-	-
Other assets	7,213,162	7,622,064	1,148,618	1,387,102	2,167,413	4,760,685	794,397	-	512	-	3,069
Investment in associates	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	626,803	-	-	-	-	-	-	5,111,646	-	-	-
Property and equipment	2,312,321	17,797,532	1,555,298	4,227,839	1,556,169	910,924	815,425	-	-	-	842,533
Intangible assets	902,947	146,056	337,657	167,326	112,908	115,169	65,007	-	-	-	54,716
Deferred tax assets	-	2,379,805	-	964,257	308,639	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	190,000
	911,695,765	379,131,546	55,880,764	73,055,878	38,391,299	23,648,973	12,997,451	5,111,646	20,393,119	5,441,100	4,679,039
Financed by:											
Deposits from banks	437,045,501	16,255,788	-	-	2,141,688	3,832,755	242,547	-	-	-	-
Deposits from customers	332,998,195	250,878,031	43,496,599	49,709,004	27,207,792	14,401,879	8,202,484	-	-	-	-
Derivative Liability	104,808	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	13,275	-	340,622	3,223	-	-	-	-	-	-
Current tax liabilities	-	(897,774)	253,605	4,834	246,084	-	-	-	1,750	-	4,529
Other liabilities	11,324,418	13,651,658	3,710,312	4,643,567	1,095,944	1,538,332	364,965	-	3,441	-	93,995
Interest-bearing loans and borrowings	-	28,340,115	-	5,610,801	2,250,046	-	-	-	20,368,784	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	167,951	2,536,146	168,411	1,031	-	33,433	10,647	-	-	-	33,805
Equity	130,054,892	68,354,307	8,251,838	12,746,019	5,446,524	3,842,575	4,176,809	5,111,646	19,141	5,441,100	4,546,710
	911,695,766	379,131,546	55,880,764	73,055,878	38,391,301	23,648,974	12,997,452	5,111,646	20,393,119	5,441,100	4,679,039
Net cashflows from investing activities	22,500,192	(127,781,060)	(7,256,329)	(609,581)	(31,770)	(239,087)	(3,818,641)	-	1,495,842	-	(763,064)
Net cashflows from financing activities	-	11,312,636	-	1,911,520	832,142	-	1,816,039	-	(1,495,842)	-	-
Net cashflows from operating activities	-	106,965,527	13,414,957	10,309,489	18,600,432	2,670,014	2,914,836	-	5,281	-	(17,259)
Increase in cash and cash equivalents	(134,327,491)	(9,502,897)	6,158,628	11,611,427	19,400,804	2,430,928	912,234	-	5,281	-	(780,323)
Cash and cash equivalent, beginning of year	197,693,075	98,296,376	14,703,443	34,533,147	6,597,741	5,181,058	549,206	-	10,433	-	4,274,301
Effect of exchange rate fluctuations on cash held	1,020,357	3,234,690	-	-	-	-	-	-	-	-	-
Cash and cash equivalent, end of year	64,385,941	92,028,169	20,862,074	46,144,574	25,998,545	7,611,986	1,461,440	-	15,714	-	3,493,978

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 2021	119,160,363	32,972,842	40,058,675	76,480,523	27,202,672	13,970,142	309,845,217
Acquired from business combination	2,689,546	-	495,861	736,922	64,933	67,335	4,054,597
Acquisitions	6,130,919	-	2,305,900	3,379,940	1,984,955	8,326,307	22,128,021
Disposals	(1,226,422)	(143,384)	(93,661)	(234,332)	(508,437)	-	(2,206,236)
Write-offs	-	-	-	-	-	(88,755)	(88,755)
Transfers	1,739,870	-	793,764	1,137,157	1,210,000	(4,880,791)	-
Translation difference	2,045,768	-	511,502	517,810	218,874	293,675	3,587,629
Balance at 30 June 2021	**130,540,044**	**32,829,458**	**44,072,041**	**82,018,020**	**30,172,997**	**17,687,912**	**337,320,471**
Balance at 1 January 2020	120,498,321	31,754,879	33,124,341	68,788,534	23,216,353	16,437,296	293,819,724
Acquired from business combination	93,480	-	13,657	170,603	-	-	277,740
Acquisitions	4,357,136	541,000	4,124,079	9,243,753	4,391,180	10,411,553	33,068,701
Disposals	(9,601,003)	(2,660,958)	(375,503)	(3,615,100)	(662,950)	-	(16,915,514)
Reclassifications							-
Write-offs	(264,711)	-	(17,902)	(215,739)	(13,040)	(112,658)	(624,051)
Transfers	4,181,273	3,337,921	2,899,843	1,978,194	111,003	(12,508,234)	-
Translation difference	(104,132)	-	290,160	130,278	160,126	(257,816)	218,616
Balance at 31 December 2020	119,160,363	32,972,842	40,058,675	76,480,523	27,202,672	13,970,142	309,845,216

	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Depreciation and impairment losses							
Balance at 1 January 2021	16,310,908	-	28,790,954	51,977,341	15,824,039	-	112,903,241
Charge for the year	1,905,074	-	2,490,547	5,351,307	2,242,132	-	11,989,060
Impairment Charge							-
Disposal	(389,253)	-	(54,785)	(167,531)	(261,066)	-	(872,635)
Write-Offs							-
Transfers							-
Translation difference	1,474,008	-	288,451	352,654	143,927	-	2,259,040
Balance at 30 June 2021	**19,300,736**	**-**	**31,515,166**	**57,513,771**	**17,949,032**	**-**	**126,278,706**
Balance at 1 January 2020	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,414
Charge for the year	2,820,084	-	4,578,695	10,518,506	4,427,378	-	22,344,663
Impairment Charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(2,783,914)	-	(341,291)	(2,112,805)	(625,731)	-	(5,863,741)
Write-Offs	(264,711)	-	(16,151)	(226,602)	-	-	(507,465)
Transfers							-
Translation difference	(726,993)	-	295,627	167,082	145,087	-	(119,197)
Balance at 31 December 2020	16,310,908	-	28,790,954	51,977,341	15,824,039	-	112,903,241

Carrying amounts	**111,239,308**	**32,829,458**	**12,556,875**	**24,504,248**	**12,223,965**	**17,687,911**	**211,041,765**
Right of use assets (see 28(b) below)	**31,154,839**	-	-	-	-	-	**31,154,840**
Balance at 30 June 2021	**142,394,147**	**32,829,458**	**12,556,875**	**24,504,248**	**12,223,965**	**17,687,911**	**242,196,605**
Balance at 31 December 2020	132,386,189	32,972,842	11,267,722	24,503,183	11,378,635	13,970,142	226,478,704

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

Total Depreciation charge (a+b)	**3,978,207**	-	**2,490,547**	**5,351,307**	**2,242,132**	-	**14,062,194**

(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.

(b) The leasehold improvements do not represent lessor's asset

The total balance for non current property and equipment for the year is N226.48Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**111,239,308**	**32,829,458**	**12,556,875**	**24,504,248**	**12,223,965**	**17,687,911**	**211,041,763**
	111,239,308	**32,829,458**	**12,556,875**	**24,504,248**	**12,223,965**	**17,687,911**	**211,041,766**

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 and Equipment N'000**	**Total N'000**
Opening balance as at 1 January 2021	-	37,375,750	37,375,750
Acquired from business combination	-	681,933	681,933
Additions during the period	-	3,163,652	3,163,652
Disposals during the period	-	(356,317)	(356,317)
*Reversals due to lease modifications	-	(163,551)	(163,551)
Translation difference	-	379,215	379,215
Closing balance as at 30 June 2021	**-**	**41,080,682**	**41,080,681**
Opening balance as at 1 January 2020	-	17,368,285	17,368,285
Acquired from business combination	-	298,037	298,037
Additions during the period	-	20,977,696	20,977,696
Disposals during the period	-	(536,494)	(536,494)
Reversals due to lease modifications		(812,775)	(812,775)
Translation difference		81,001	81,001
Closing balance as at 31 December 2020	-	37,375,750	37,375,750
Depreciation			
Opening balance as at 1 January 2021	-	7,839,017	7,839,017
Charge for the year	-	2,073,134	2,073,134
Disposals during the year	-		-
Reversals due to lease modifications	-		-
Translation difference		13,691	13,691

Closing balance as at 30 June 2021	**-**	**9,925,841**	**9,925,841**
Net book value as at 30 June 2021	**-**	**31,154,841**	**31,154,839**
Opening balance as at 1 January 2020	-	3,182,353	3,182,353
Charge for the year	-	5,013,103	5,013,103
Disposals during the year	-	(173,519)	(173,519)
*Reversals due to lease modifications	-	(290,336)	(290,336)
Translation difference	-	107,416	107,416
Closing balance as at 31 December 2020	-	7,839,017	7,839,017
Net book value as at 31 December 2020	-	29,536,733	29,536,733

ii **Amounts recognised in the statement of profit or loss**

	N'000
Depreciation charge of right-of-use assets	2,073,134
Interest expense (included in finance cost)	242,270
Expense relating to short-term leases (included in other operating expenses)	215,534
Expense relating to leases of low-value assets (included in other operating expenses)	-
Total cash outflow for leases as at June 2021	754,398,523

*This relates to lease contracts that were modified during the period, subsequently derecognized and new contracts were drawn up to represent the new leases

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 2021	104,658,482	32,431,844	33,273,534	70,354,714	24,275,768	6,727,958	271,722,299
Acquisitions	2,218,119	-	1,950,175	2,867,810	1,379,603	5,837,164	14,252,870
Disposals	(481,420)	(143,384)	(6,905)	(156,311)	(379,681)	-	(1,167,701)
Reclassification from(to) others	-	-	-	-	-	-	-
Transfers	1,642,382	-	793,763	1,134,337	1,210,000	(4,780,482)	-
Write-Offs	-	-	-	-	-	(88,755)	(88,755)
Balance at 30 June 2021	**108,037,563**	**32,288,460**	**36,010,567**	**74,200,550**	**26,485,690**	**7,695,885**	**284,718,715**
Balance at 1 January 2020	107,059,491	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,803
Acquired from business combination	766,703	-	3,090,823	8,589,782	4,029,803	4,728,258	21,205,369
Acquisitions	(6,988,740)	(2,660,958)	(307,876)	(2,390,296)	(596,542)	-	(12,944,412)
Disposals	4,022,131	3,337,921	2,615,233	1,646,969	111,003	(11,733,257)	-
Write-Offs	(201,103)	-	(7,429)	(210,635)	-	(46,292)	(465,460)
Balance at 31 December 2020	104,658,482	32,431,844	33,273,534	70,354,714	24,275,768	6,727,958	271,722,298
Depreciation and impairment losses	**Leasehold improvement and buildings**	**Land**	**Computer hardware**	**Furniture & fittings**	**Motor vehicles**	**Capital work-in - progress**	**Total**
Balance at 1 January 2021	14,978,946	-	23,316,649	46,485,110	14,089,862	-	98,870,567
Charge for the year (a)	1,078,299	-	1,954,433	4,860,253	2,032,823	-	9,925,808
Disposal	(84,961)	-	(6,905)	(144,551)	(174,141)	-	(410,559)
Balance at 30 June 2021	**15,972,284**	**-**	**25,264,177**	**51,200,812**	**15,948,544**	**-**	**108,385,816**
Balance at 1 January 2020	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,614
Charge for the year (a)	2,147,377	-	3,790,037	9,717,062	4,099,496	-	19,753,972
Impairment charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(1,119,837)	-	(307,239)	(2,098,804)	(517,539)	-	(4,043,418)
Reclassifications	-						-
Write Off	(201,103)	-	(7,429)	(210,635)	-	-	(419,168)
Balance at 31 December 2020	14,978,946	-	23,316,649	46,485,110	14,089,862	-	98,870,568
Carrying amounts	**92,065,281**	**32,288,460**	**10,746,390**	**22,999,738**	**10,537,146**	**7,695,885**	**176,332,900**
Right of use assets (see 28(d) below)	18,563,829	-	-	-	-	-	18,563,829
Balance at 30 June 2021	**110,629,110**	**32,288,460**	**10,746,390**	**22,999,738**	**10,537,146**	**7,695,885**	**194,896,729**
Balance at 31 December 2020	108,721,122	32,431,844	9,956,885	23,869,604	10,185,906	6,727,958	191,893,319

Depreciation charge on property and equipment and right of use assets

Total Depreciation/Impairment charge (a+b)	**2,289,525**	**-**	**1,954,433**	**4,860,253**	**2,032,823**	**-**	**11,137,034**

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

The total balance for non current property, plant and equipment for the year is N194.90Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**92,065,281**	**32,288,460**	**10,746,390**	**22,999,738**	**10,537,146**	**7,695,885**	**176,332,898**
	92,065,281	**32,288,460**	**10,746,390**	**22,999,738**	**10,537,146**	**7,695,885**	**176,332,898**

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 and Equipment N'000**	**Total N'000**
Opening balance as at 1 January 2020	-	22,858,111	22,858,111
Additions during the year	-	897,019	897,019
Disposals during the year	-	-	-
*Reversals due to lease modifications		(163,551)	(163,551)
Closing balance as at 30 June 2021	**-**	**23,591,579**	**23,591,579**
Opening balance as at 1 January 2020	-	9,465,519	9,465,519
Additions during the year		14,621,105	14,621,105
Disposals during the year		(415,739)	(415,739)
*Reversals due to lease modifications		(812,775)	(812,775)
Closing balance as at 31 December 2020	-	22,858,111	22,858,111
Depreciation			
Opening balance as at 1 January 2021	-	3,816,525	3,816,525
Charge for the year (b)	-	1,211,225	1,211,225
Disposals during the year	-	-	-
*Reversals due to lease modifications	-	-	-
Closing balance as at 30 June 2021	**-**	**5,027,751**	**5,027,751**
Net book value as at 30 June 2021	**-**	**18,563,829**	**18,563,829**

Opening balance as at 1 January 2020	-	1,436,253	1,436,253
Charge for the year (b)	-	2,801,819	2,801,819
Disposals during the year		(154,637)	(154,637)
*Reversals due to lease modifications		(266,910)	(266,910)
Closing balance as at 31 December 2020	-	3,816,525	3,816,525
Net book value as at 31 December 2020	-	19,041,585	19,041,585

ii) **Amounts recognised in the statement of profit or loss**

	N'000
Depreciation charge of right-of-use assets (buildings)	1,211,225
Interest expense (included in finance cost)	407,996
Expense relating to short-term leases (included in other operating expenses)	763,321
Expense relating to leases of low-value assets (included in other operating expenses)	-
Total cash outflow for leases as at June 2021	752,131,890

*This relates to lease contracts that were modified during the period, subsequently derecognized and new contracts were drwan up to represent the new leases

29 Intangible assets
Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total Intangible
Cost							
June 2021							
Balance at 1 January 2021	11,782,171	1,601,183	41,008,765	28,664,776	12,651,500	4,724,566	100,432,961
Arising from business combination (See note 44)	-	-	2,120,406	-	-	-	2,120,406
Acquisitions		1,195,713	1,563,935	-	-	-	2,759,649
Reclassification	-		-	-	-	-	-
Write off	-	-	(49,691)	-	-	-	(49,691)
Translation difference	-	145,086	347,010	-	-	-	492,096
Balance at 30 June 2021	**11,782,171**	**2,941,983**	**44,990,425**	**28,664,776**	**12,651,500**	**4,724,566**	**105,755,421**
December 2020							
Balance at 1 January 2020	5,235,837	1,218,346	31,147,503	28,664,776	12,651,500	4,724,566	83,642,528
Arising from business combination (See note 44)	6,546,334	-	104,643	-	-	-	6,650,977
Acquisitions		1,720,953	8,498,492	-	-	-	10,219,445
Reclassification	-	(1,374,049)	1,374,049	-	-	-	-
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	35,933	111,592	-	-	-	147,525
Balance at 31 December 2020	11,782,171	1,601,183	41,008,765	28,664,776	12,651,500	4,724,566	100,432,962
Amortization and impairment losses							
Balance at 1 January 2021	-	-	23,185,970	5,016,336	2,214,013	826,799	31,243,116
Reclassification (a)	-	-		-	-	-	-
Amortization for the period	-	-	3,719,835	1,433,239	632,575	236,228	6,021,877
Write off	-	-	(45,686)	-	-	-	(45,686)
Translation difference	-	-	154,546	-	-	-	154,546
Balance at 30 June 2021	-	-	27,014,665	6,449,575	2,846,588	1,063,027	**37,373,853**
Balance at 1 January 2020	-	-	17,709,774	2,149,858	948,863	354,342	21,162,838
Amortization for the year	-	-	380,720	-	-	-	380,720
Impairment charge	-	-	5,309,110	2,866,478	1,265,150	472,457	9,913,194
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	-	13,880	-	-	-	13,880
Balance at 31 December 2020	-	-	23,185,970	5,016,336	2,214,013	826,799	31,243,116
Net Book Value							
Balance at 30 June 2021	**11,782,171**	**2,941,983**	**17,975,760**	**22,215,201**	**9,804,912**	**3,661,539**	**68,381,568**
Balance at 31 December 2020	11,782,171	1,601,183	17,822,795	23,648,440	10,437,487	3,897,767	69,189,846

Intangible assets
Bank

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total
Cost							
June 2021							
Balance at 1 January 2020	11,148,311	1,113,036	36,604,316	28,664,776	12,651,500	4,724,566	94,906,504
Acquisitions	-	630,682	82,604	-	-	-	713,286
Reclassification	-	-					-
Balance at 30 June 2021	**11,148,311**	**1,743,718**	**36,686,919**	**28,664,776**	**12,651,500**	**4,724,566**	**95,619,790**
December 2020							
Balance at 1 January 2020	11,148,311	1,201,540	27,324,332	28,664,776	12,651,500	4,724,566	85,715,024
Acquisitions	-	1,285,545	7,905,935	-	-	-	9,191,480
Reclassification	-	(1,374,049)	1,374,049				-
Balance at 31 December 2020	11,148,311	1,113,036	36,604,317	28,664,776	12,651,500	4,724,566	94,906,506
Amortization and impairment losses							
Balance at 1 January 2021	-	-	19,353,280	5,016,336	2,214,013	826,799	27,410,428
Amortization for the period	-	-	2,751,942	1,433,239	632,574	236,227	5,053,982
Balance at 30 June 2021	**-**	**-**	**22,105,222**	**6,449,575**	**2,846,587**	**1,063,026**	**32,464,410**
Balance at 1 January 2020	-	-	14,711,295	2,149,858	948,863	354,342	18,164,359
Amortization for the year	-	-	4,641,985	2,866,478	1,265,150	472,457	9,246,069
Balance at 31 December 2020	-	-	19,353,280	5,016,336	2,214,013	826,799	27,410,428
Carrying amounts							
Balance at 30 June 2021	**11,148,311**	**1,743,718**	**14,581,697**	**22,215,201**	**9,804,913**	**3,661,540**	**63,155,380**
Balance at 31 December 2020	11,148,311	1,113,036	17,251,036	23,648,440	10,437,487	3,897,767	67,496,077

Amortization method used is straight line.

	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Classified as:				
Current	-	-	-	-
Non current	68,381,568	69,189,846	63,155,380	67,496,077

29(b) Intangible assets

(i) Goodwill is attributable to the acquisition of Diamond Bank Plc and the following subsidiaries:

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Diamond Bank Plc (see (a) below)	4,554,830	4,554,830	11,148,311	11,148,311
Access Bank Rwanda (see (b) below)	681,007	681,007	-	-
Access Bank Kenya (see (c) below)	6,546,334	6,546,334	-	-
	11,782,171	**11,782,171**	**11,148,311**	**11,148,311**

(a) Diamond bank:
The recoverable amount of Goodwill as at 30 June 2021 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N75.12bn.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period and no losses on goodwill were recognized as at 30 June 2021 (31 December 2020: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Retail (Personal) Banking.
Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 3.15%. A discount rate of 22.33% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the period are as follows:

Compound annual volume growth (i)	16.63%
Terminal growth rate (ii)	3.15%
Discount rate (iii)	22.33%

(i) Compound annual volume growth rate in the initial five-year period.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.
(iii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 22.33% was applied in determining the recoverable amounts for Diamond Bank Plc. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium of Access Bank.

Terminal growth rate
The terminal growth rate applied was based on the long term growth rate in GDP of Nigeria.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(5,667,212)	7,014,742
Impact of change in growth rate on value-in-use computation (increase/(decrease)	121,704,709	(135,694,521)

There were no write-downs of goodwill due to impairment during the period

(b) Access Bank Rwanda:
The recoverable amount of Goodwill as at 30 June 2021 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N12.26bn.
Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period and no losses on goodwill were recognized as at 30 June 2021 (31 December 2020: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Rwanda.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 7.5%. A discount rate of 22.34% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the period are as follows:

	June 2021
Compound annual volume growth (i)	8.53%
Terminal growth rate (ii)	7.50%
Discount rate (iii)	22.34%

(i) Compound annual volume growth rate in the initial four-year period.
(ii) Terminal growth rate used to extrapolate cash flows beyond the budget year.
(iii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 22.34% was applied in determining the recoverable amounts for the goodwill of Access Bank Rwanda. This discount rate was estimated using beta, risk-free rate and the equity risk premium for Rwanda.

Terminal growth rate
Terminal growth rate applied was based on the long term growth rate in GDP of Rwanda.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(1,632,390)	2,213,460
Impact of change in growth rate on value-in-use computation (increase/(decrease)	2,757,914	(2,757,914)

(c) Access bank Kenya:

The recoverable amount of Goodwill as at 30 June 2021 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N16.22bn.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. This is the first impairment assessment.

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Kenya.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 5.40%. A discount rate of 18.46% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the period are as follows:

Compound annual volume growth (i)	15.48%
Terminal growth rate (ii)	5.40%
Discount rate (iii)	18.46%

(i) Compound annual volume growth rate in the initial five-year period.
(ii) Terminal growth rate used to extrapolate cash flows beyond the budget year.
(iii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 18.46% was applied in determining the recoverable amounts for the goodwill of Access Bank Kenya. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium of Access Bank.

Terminal growth rate

The terminal growth rate applied was based on the long term growth rate in GDP of Kenya.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

In thousands of Naira	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(1,722,778)	2,268,154
Impact of change in growth rate on value-in-use computation (increase/(decrease)	(392,189)	(7,457,182)

There were no write-downs of goodwill due to impairment during the period.

30 Deferred tax assets and liabilities
(a) Group

The following items gave rise to temporary differences during the period. Deferred tax assets and liabilities are attributable to the following items below:

In thousands of Naira	June 2021			December 2020		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	25,082,637	(3,616,741)	21,465,896	19,462,799	(3,261,531)	16,201,267
Allowances/(Reversal) for loan losses	23,288,760	(2,492)	23,286,268	33,362,291	(11,185)	33,351,107
Tax loss carry forward	280,890	-	280,890	11,418,482	-	11,418,482
Exchange gain/(loss) unrealised	-	(55,201,285)	(55,201,285)	-	(71,612,263)	(71,612,263)
Acquired Deferred tax asset	-	-	-	-	-	-
Actuarial gain on retirement benefit obligation	9,735	(4,700)	5,035	8,842	(4,269)	4,573
Fair value gain on equity investments	-	-	-	-	-	-
Deferred tax assets (net)	48,662,022	(58,825,219)	(10,163,196)	64,252,414	(74,889,248)	(10,636,836)

(b) Bank
Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	June 2021			December 2020		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	22,657,053	-	22,657,053	17,290,585	-	17,290,585
Allowances/(Reversal) for loan losses	21,261,350	-	21,261,350	30,977,333	-	30,977,333
Tax loss carry forward	280,890	-	280,890	11,418,483	-	11,418,483
Exchange gain unrealised	-	(55,201,285)	(55,201,285)	-	(71,612,263)	(71,612,263)
Acquired Deferred tax asset	-	-	-	-	-	-
Fair value gain on equity investments	-	-	-	-	-	-
Deferred tax on retirement benefit obligation	-	-	-	-	-	-
Deferred tax assets/(liabilities)	44,199,293	(55,201,285)	(11,001,992)	59,686,401	(71,612,263)	(11,925,861)

Deferred tax asset are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. After reviews of the medium-term profit forecasts, the Group considers that there will be sufficient profits in the future against which these losses will be offset.

There were no unrecognized deferred tax assets or liabilities as at 30 June 2021 (31 December 2020: nil)

	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Deferred income tax assets				
– Deferred income tax asset to be recovered after more than 12 months	44,757,199	49,556,947	43,918,403	48,267,919
– Deferred income tax asset to be recovered within 12 months	3,904,826	14,695,469	280,890	11,418,482
	48,662,024	64,252,416	44,199,293	59,686,401
Deferred income tax liabilities				
– Deferred income tax liability to be recovered after more than 12 months	(3,619,234)	(3,272,716)	-	-
– Deferred income tax liability to be recovered within 12 months	(55,205,985)	(71,616,532)	(55,201,286)	(71,612,264)
	(58,825,219)	(74,889,248)	(55,201,286)	(71,612,264)

30 Deferred tax assets and liabilities
(c) Movement on the net deferred tax assets / (liabilities) account during the period:

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Balance, beginning of period	(10,636,832)	(2,465,364)	(11,925,861)	(4,507,110)
Acquired from Business Combination	1,837,758	597,462	-	-
Tax charge	(774,464)	(8,524,257)	923,870	(7,541,560)
Translation adjustments	(589,661)	(367,481)	-	-
Items included in OCI	-	122,809	-	122,809
Net deferred tax assets/(liabilities)	(10,163,196)	(10,636,832)	(11,001,991)	(11,925,861)
Out of which				
Deferred tax assets	48,662,024	64,252,416	44,199,293	59,686,401
Deferred tax liabilities	(58,825,220)	(74,889,249)	(55,201,286)	(71,612,264)

	Group June 2021		Group December 2020	
Entity	**Deferred Tax Assets**	**Deferred Tax liabilities**	**Deferred Tax Assets**	**Deferred Tax liabilities**
Access Bank Sierra Leone	-	21,572	-	10,645
Access Bank Rwanda	-	173,173	-	168,411
Access Bank United Kingdom	-	101,047	-	167,950
Access Bank Ghana	2,021,737	3,700,512	2,379,805	2,536,146
Access Pensions	-	33,805	-	33,805
Access Bank Congo	-	-	964,257	1,031
Access Bank Gambia	-	36,616	-	33,433
Access Bank Zambia	311,244	-	308,639	-
Access Bank Kenya	332,631	-	586,277	-
Access Bank Mozambique	2,673,145	433,235	1,470	-
Access Bank Nigeria	-	11,001,992	-	11,925,862
Total Deferred Tax	**5,338,759**	**15,501,952**	**4,240,448**	**14,877,283**

Temporary difference relating to the Group's Investment in subsidiaries as at 30 June 2021 is N54.33billion (Dec 2019: N36.51billion). As the Group exercises control over the subsidiaries, it has the power to control the timing of the reversals of the temporary difference arising from its investments in them. The Group has determined that the subsidiaries' profits and reserves will not be distributed in the foreseeable future and that the subsidiaries will not be disposed of. Hence, the deferred tax arising from the temporary differences above will not be recognised.

Items included in Other Comprehensive Income

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Actuarial gain/loss on retirement benefit obligation				
Gross loss on retirement benefit obligation	-	383,777	-	383,777
Deferred tax @ 30%	-	(122,809)	-	(122,809)
Net balance loss after tax	-	260,968	-	260,968

Deferred Tax asset

31a Investment properties

	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Balance at 1 January	217,000	927,000	217,000	727,000
Acquired from business combination	-	-	-	-
Additions for the period	-	-	-	-
Disposals during the period	-	(710,000)	-	(510,000)
Valuation gain/(loss)	-	-	-	-
Balance, end of period	**217,000**	**217,000**	**217,000**	**217,000**

Investment property of N217 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 is Paul Osaji and Company (FRC/2013/00000000001098)

All investment properties have been classified as non current with a carrying amount of N217 million for Group and N217 million for Bank

31b Assets classified as held for sale

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Balance at 1 January	28,318,467	24,957,518	28,128,467	24,957,518
Acquired from business combination	-	-	-	-
Additions	6,766,836	5,370,949	6,766,836	5,180,949
Disposals	(35,000)	(2,010,000)	(35,000)	(2,010,000)
	35,050,303	**28,318,467**	**34,860,303**	**28,128,467**

The total balance for non current financial assets held for sale for the period is N35.05Bn for Group and N34.86Bn for Bank

Classified as:				
Current	35,050,303	28,318,467	34,860,303	28,128,467
Non current	-	-	-	-

The professional valuers engaged for the preparation of the valuation reports are: Ubosi Eleh and Company (FRC/2014/00000003997), Odudu and Company (FRC/2012/NIESV/00000000198), Paul Osaji and Company (FRC/2013/00000000001098), Banjo Adeleke and Company (FRC/2013/NIESV/00000003314); and Osas and Oseji (FRC/2012/000000000522). This largely comprises of Land and buildings. The items in non-current asset held for sale are repossessed collateral and this is seen in Note 5.1.3 (g)

32 Deposits from financial institutions

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Money market deposits	921,103,826	501,831,841	695,090,160	271,700,559
Trade related obligations to foreign banks	837,469,666	456,565,330	884,263,491	559,931,773
	1,758,573,492	**958,397,171**	**1,579,353,651**	**831,632,332**
Current	1,613,508,209	885,853,455	1,450,607,496	759,088,616
Non-current	145,065,283	72,543,716	128,746,155	72,543,716

33 Deposits from customers

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Term deposits	2,248,686,098	1,975,382,019	1,747,208,393	1,586,352,295
Demand deposits	2,361,067,728	2,301,974,129	1,829,688,026	1,991,980,453
Saving deposits	1,365,002,099	1,310,062,064	1,295,355,324	1,254,411,747
	5,974,755,925	**5,587,418,211**	**4,872,251,742**	**4,832,744,495**
Current	5,944,338,303	5,133,490,210	4,846,656,735	4,767,846,216
Non-current	30,417,620	453,928,002	26,099,867	64,898,279

34 Other liabilities

In thousands of Naira		Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Financial liabilities					
Certified and bank cheques		6,232,038	4,508,867	5,595,844	4,133,280
E-banking payables	(see (a) below)	39,596,085	89,242,387	37,710,982	88,490,471
Collections account balances	(see (b) below)	238,877,976	152,676,592	232,773,890	150,896,742
Due to subsidiaries		-	-	896,797	548,835
Accruals		46,490,382	2,368,024	42,601,170	802,205
Creditors		30,210,795	10,820,370	2,058,622	2,417,023
Payable on AMCON		1,281,293	1,281,293	1,281,293	1,281,293
Customer deposits for foreign exchange	(see (c) below)	48,610,309	40,494,867	48,610,312	40,494,867
Unclaimed dividend	(see (d) below)	16,388,738	15,730,661	16,388,738	15,730,661
Lease liabilities		15,755,042	13,588,379	5,539,727	5,385,378
Other financial liabilities		39,444,749	23,186,625	28,055,108	10,156,074
ECL on off-balance sheet	(see (e) below)	3,124,327	2,740,034	2,878,865	2,619,082
		486,011,734	356,638,099	424,391,348	322,955,912
Non-financial liabilities					
Litigation claims provision	(see (f) below)	2,169,853	1,919,853	2,169,854	1,919,854
Other non-financial liabilities		4,354,506	20,858,831	1,996,709	17,584,504
Total other liabilities		**492,536,093**	**379,416,782**	**428,557,912**	**342,460,268**
Classified as:					
Current		480,223,371	366,602,401	423,388,317	337,074,888
Non current		12,312,722	12,814,382	5,169,594	5,385,380
		492,536,093	**379,416,783**	**428,557,911**	**342,460,268**

(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 June 2021	Group December 2020	Bank June 2021	Bank December 2020
Opening balance at 1 January 2021/31 December 2020	2,740,033	4,526,457	2,619,082	4,353,070
Charge for the period	308,627	(1,741,908)	259,783	(1,733,988)
Reclassification	-	-	-	-
Revaluation difference	75,665	(44,515)	-	-
Balance, end of period	3,124,327	2,740,033	2,878,865	2,619,082

(f) **Movement in litigation claims provision**	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Opening balance	1,919,853	1,401,620	1,919,854	1,401,620
Additions	250,000	518,233	250,000	518,233
Closing balance	**2,169,853**	**1,919,853**	**2,169,853**	**1,919,854**

ii **Lease liabilities**

	Group N'000	Bank N'000
Opening balance as at 1 January 2021	13,588,379	5,385,381
Acquired from business combination	134,345	-
Additions	1,246,463	340,829
Interest expense	640,970	407,996
Lease payments	(837,082)	(196,942)
Leases terminations in the period	-	-
Lease liability remeasurements related to lease modifications	(397,533)	(397,533)
Translation difference	716,225	-
Closing balance as at 30 June 2021	**15,091,768**	**5,539,729**

Current lease liabilities	3,442,321	370,135
Non-current lease liabilities	11,649,449	5,169,591
	15,091,769	**5,539,726**

ii **Lease liabilities**

	Group N'000	Bank N'000
Opening balance as at 1 January 2020	10,325,181	5,244,844
Acquired from business combination	73,559	-
Additions	4,524,454	549,938
Interest expense	1,804,032	851,155
Lease payments	(2,193,539)	(306,700)
Leases terminations in the year	(442,526)	(314,461)
Lease liability remeasurements related to lease modifications	(639,396)	(639,396)
Translation difference	136,614	-
Closing balance as at 31 December 2020	**13,588,379**	**5,385,381**
Current lease liabilities	3,378,658	773,997
Non-current lease liabilities	10,209,721	4,470,847
	13,588,379	**5,244,844**

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

	Group N'000	Bank N'000
Less than 6 months	692,259	216,016
6-12 months	1,961,267	478,734
Between 1 and 2 periods	4,672,230	1,108,085
Between 2 and 5 periods	5,727,493	3,600,669
Above 5 periods	2,285,244	382,946
	15,338,494	**5,786,450**
Carrying amount	15,755,042	5,539,727

35 Debt securities issued

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	125,560,797	122,195,240	125,560,797	122,195,240
Green Bond (see (ii) below)	15,438,797	15,423,330	15,438,797	15,423,330
Local Bond (see (iii) below)	31,555,504	31,541,489	31,555,505	31,541,489
Debentures (see (iv) below)	5,305,180	-	-	-
	177,860,278	**169,160,059**	**172,555,098**	**169,160,059**

Movement in Debt securities issued:

In thousands of Naira	Group June 2021	Bank June 2021
Net debt as at 1 January 2021	169,160,060	169,160,060
Additions	5,305,180	-
Debt securities issued	-	-
Repayment of debt securities issued	-	-
Total changes from financing cash flows	174,465,240	169,160,060
The effect of changes in foreign exchange rates	3,164,767	3,164,767
Other changes		
Interest expense	10,144,246	10,144,246
Interest paid	(9,913,974)	(9,913,974)
Balance as at 30 June 2021	**177,860,279**	**172,555,099**

In thousands of Naira	Group December 2020	Bank December 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	157,987,877	157,987,877
The effect of changes in foreign exchange rates	11,102,709	11,102,709
Other changes		
Interest expense	19,305,691	19,305,691
Interest paid	(19,236,218)	(19,236,218)
Balance as at 31 December 2020	**169,160,060**	**169,160,060**

(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 N125.56bn.

(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.

(iv) Access South Africa issued a Tier II subordinated convertible debenture of 183Mn South African Rand on June, 30, 2021 with a coupon rate of 2% above 6 months JIBAR payable semi-annually. The bond has a tenor of 5 years and is due on September, 2026. The Bonds have a call option date of 1st July, 2026 and the issuer's call is subject to supervisory's approval.

36 Interest bearing borrowings

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
African Development Bank (see note (a))	19,619,144	17,755,228	15,602,948	17,755,228
Netherlands Development Finance Company (see note (b))	141,742,551	142,907,542	127,930,469	129,820,587
French Development Finance Company (see note (c))	925,880	1,767,670	-	-
European Investment Bank (see note (d))	36,542,873	37,430,800	35,689,658	36,379,295
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	3,828,264	4,198,814	3,828,264	4,198,814
International Finance Corporation (see note (f))	57,014,734	55,381,711	57,014,734	55,381,711
French Development Agency (see note (g))	12,361,076	12,048,263	12,361,076	12,048,263
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (h))	8,450,127	8,664,680	8,450,127	8,664,680
Central Bank of Nigeria - Shared Agent Network Expansion Facility (S/	2,187,670	2,258,000	2,187,670	2,258,000
Bank of Industry-Power & Airline Intervention Fund (see note (j))	2,638,820	3,387,775	2,638,820	3,387,775
Special Refinancing & Restructuring Intervention fund (SRRIF) (see note (k))	2,919,312	3,365,050	2,919,312	3,365,050
Central Bank of Nigeria - Salary Bailout facilities (see note (l))	60,850,387	60,370,979	60,850,387	60,370,979
Central Bank of Nigeria - Excess Crude Account (see note (m))	109,883,105	109,185,236	109,883,105	109,185,236
Real Sector And Support Facility (RSSF) (see note (n))	15,074,749	16,508,760	15,074,749	16,508,760
Development Bank of Nigeria (DBN) (see note (o))	74,241,168	75,022,451	74,241,168	75,022,451
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (p))	164,635,931	105,690,820	164,635,931	105,690,820
Nigeria Mortgage Refinance Company (NMRC) (see note (q))	5,657,092	5,736,228	5,657,092	5,736,228
Micro small and medium enterprise development fund (MSMEDF) (se	-	-	-	-
Africa Export and Import Bank (AFREXIM) (see note (s))	44,953,629	59,916,173	44,953,629	59,916,173
Diamond finance B V (Anambra State Government) (see note (t))	-	20,431,367	-	20,431,367
BOI Power and steel (PAIF) (see note (u))	11,865,449	11,762,893	11,865,449	11,762,893
Bank of Industry (RRF) (see note (u))	-	-	-	-
Creative Industry Financing Initiative Fund (CIFI) (see note (v))	1,673,148	1,636,867	1,673,148	1,636,865
Accelerated Agricultural Development Scheme (AADS) (see note (w))	2,950,058	2,938,301	2,950,058	2,938,301
Non-Oil Export Stimulation Facility (NESF) (see note (x))	4,024,727	4,020,064	4,024,727	4,020,064
Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (y))	15,214,758	7,584,176	15,214,758	7,584,176
Lagos State Employment Trust Fund (LESTF) W Initiative (see note (z	991,056	1,000,000	991,056	1,000,000
ECOWAS Bank for Investment and Development (EBID) (see note (aa	6,170,111	5,203,595	-	-
Standard Chartered Bank GH. Ltd (see note (ab))	12,107,862	-	-	-
Norsad Finance Limited (see note (ac))	3,225,170	-	-	-
Bank of Zambia - (TMTRF) (see note (ad))	3,426,632	-	-	-
ABC Holdings Ltd (see note (ae))	1,784,170	-	-	-
Other loans and borrowings	15,581,915	15,281,794	190,339	190,557
	842,541,570	**791,455,234**	**780,828,678**	**755,254,263**

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

(a) The amount of N19,619,143,580 (USD 47,774,664) 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 30 June 2021.

(b) The amount of N141,742,550,916 (USD 345,157,919) 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), Feb 2019 (USD 162.5m) ans 2020 (USD 93.8m)for a period of 5 years, 10 years and 10 years respectively. The principal amount is repayable semi-annually from July 2019, quarterly from May 2019 and January 2026 respectively while interest is paid semi annually at 5.5% above 6 months LIBOR, quarterly at 7.83% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and quarterly at 9.61%. It also includes the facility granted to Ghana in July 2018 for a period of 7 years at 6.88% with interest and principal (starting June 2023) payable semi-annually. Two facilities were also granted to Congo in Dec 2019 for a period of 5 and 3 years respectively with the principal amount repayale semi-annually from Jan 2022 and Jan 2021 respectively while interest is paid semi annually at 4.2% above LIBOR and 4% above LIBOR respectively. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(c) The amount of N925,880,054 (USD 2,254,615) represents the outstanding balance in the on-lending facility granted to Ghana by the French Development Finance Company effective from 30 December 2014 for 7 years to support lending to the private sector at 5.98% with principal and interest repayable semi annualy. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(d) The amount of N36,542,872,679 (USD 88,985,712) 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), March 2016 (USD 27.1m) and July 2020 (USD 68.7m) for a period of 6 years each for the first three, a period of 8 years each for the next two and a period of 5 years for the last one. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6%, 2.6% respectively above 6 months LIBOR and 3.04% for the last one. It also includes the facility granted to Ghana in Oct 2016 for a period of 7 years. Principal and interest are paid semi-annually at 4.57%. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(e) The amount of N3,828,263,883 (USD 9,322,222) 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 30 June 2021.

(f) The amount of N57,014,734,451 (USD 138,836,834) represents the outstanding balance on the on-lending facility of USD 87.5mn and USD 50mm granted to the Bank by International Finance Corporation for a period of 10 years and 1 year respectively. The principal amount will be repayable quarterly from September 2019 and October 2020 respectively, 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 and 4.25% above 6 months LIBOR for a year. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(g) The amount of N12,361,076,090 (USD 30,100,512) represents the outstanding balance on the on-lending facility of USD 30mn granted to the Bank by French Development Agency for a period of 8 years. The principal amount will be repayable semi annually from November 2020 while interest is paid quarterly at 3.57%. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(h) The amount of N8,450,126,898 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. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(i) The amount of N2,187,670,133 represents an outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria, to facilitate the rapid rollout of agent networks across Nigeria supporting the expansion of a shared Agent Network to deepen financial inclusion in Nigeria. The total facility has a tenor of 10 years at a 5% interest rate and the facility is meant for CBN Licensed Mobile Money Operators and Super Agents. The principal amount will be repayable quarterly after the 1 year interest moratorium and the 2 years principal moratorium. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(j) The amount of N2,638,820,338 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 30 June 2021.

(k) The amount of N2,919,311,955 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 30 June 2021.

(l) The amount of N60,850,387,466 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 30 June 2021.

(m) The amount of N109,883,105,427 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 30 June 2021.

(n) The amount of N15,074,749,187 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 30 June 2021.

(o) The amount of N74,241,168,258 represents the outstanding balance on four 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. The fourth facility of about 70bn was disbursed for a period of 10 years at an interest rate of 10%. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(p) The amount of N164,635,931,192 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, 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. There were additional facilities disbursed in 2020 in favor of 16 other beneficiaries amounting to about N59bn for a period of 4 to 10 years inclusive of 6 months to 2 years moratorium at 2% interest rate on a quarterly basis. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(q) The amount of N5,657,091,500 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 30 June 2021.

(r) This 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 30 June 2021.

(s) The amount of N44,953,628,553 (USD 109,466,782) 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 30 June 2021.

(t) This on-lending facility granted to the Bank under 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 had no defaults of principal or interest with respect to its subordinated liabilities during the life of the facility. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(u) The amount of N11,865,448,980 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 30 June 2021

(v) The amount of N1,673,147,934 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 14 beneficiaries under the initiative. The Bank is under obligation to on-lend to customers at an all-in interest rate of 9% with 2% remitted to CBN. 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 30 June 2021.

(w) The amount of N2,950,057,651 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Accelerated Agricultural Development Scheme (AADS) on behalf of Bayelsa State Government. The facility is for a period of 3 years inclusive of 24 months moratorium at a 4% interest rate repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(x) The amount of N4,024,727,430 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Non-Oil Export Stimulation Facility (NESF) supporting Leaf Tobacco and Commodities Nigeria Limited in acquiring additional machinery for expansion of their facilities. The facility is for a period of 6 years inclusive of 12 months moratorium at a 1% interest rate repayable on a quarterly basis which will increase to 2% effective March 1, 2022. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(y) The amount of N15,214,758,149 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria through the Health Sector Intervention Facility (HSIF) window of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) supporting 8 beneficiaries (N7.6bn). The tenor of the facility ranges from 4 to 10 years inclusive of maximum moratorium of 12 months. The interest is set at 1% repayable on a quarterly basis which will increase to 2% effective March 2022. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(z) The amount of N991,056,289 represents the outstanding balance on the on-lending facility granted to the Bank by Lagos State Employment Trust Fund (LESTF) to support financial inclusion of women in Lagos state. The tenor of the facility is 2 years. The interest is set at 5% repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(aa) The amount of N6,170,111,335 (USD 15,024,866) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by ECOWAS Bank for Investment and Development (EBID) which attracts an interest rate of 2.75% for 60 days with four different facilities disbursed between May and June (24 May 2021, 3 Jun 2021, 4 Jun 2021 and 11 Jun 2021) all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(ab) The amount of N12,107,862,291 (USD 29,483,910) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by Standard Chartered Bank GH. Ltd. Two tranches were disbursed on 29 June 2021 and 3 June 2021 at an interest rate of 2.97% for 9 months and 1 year respectively where principal and interest is payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(ac) The amount of N3,225,169,653 (USD 7,853,625) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in South Africa by Norsad Finance Limited which attracts an interest rate of 8.50% for 5 years with interest paid semi-annually and principal payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(ad) The amount of N3,426,632,277 (USD 8,344,208) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Zambia by Bank of Zambia - (TMTRF) which attracts an interest rate of 10% ranging between different tenors of 5 to 2 years with five different facilities disbursed on 31 July 2020 and 10 March 2021 all with interest payable quarterly after 12 months moratorium and principal is paid at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

(ae) The amount of N1,784,169,699 (USD 4,344,640) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Mozambique by ABC Holdings Ltd for two facilities disbursed on 1 Dec 2017 and 31 Dec 2016 for a period of 5 and 10 years respectively which attracts an interest rate of 8.5% and 14.25% respectively with Semi- annual repayment of interest and Principal on maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2021.

In thousands of Naira	**Group June 2021**	**Bank June 2021**
Balance as at 1 January 2021	791,455,234	755,254,263
Proceeds from interest bearing borrowings	96,304,441	69,128,803
Arising from business combination	7,263,584	-
Repayment of interest bearing borrowings	(68,669,590)	(56,527,354)
Total changes from financing cash flows	826,353,669	767,855,712
The effect of changes in foreign exchange rates	11,866,783	8,248,630
Other changes		
Interest expense	21,605,496	20,439,637
Interest paid	(17,284,380)	(15,715,312)
Balance as at 30 June 2021	**842,541,570**	**780,828,678**

	Group December 2020	**Bank December 2020**
Balance as at 1 January 2020	586,602,830	544,064,226
Proceeds from interest bearing borrowings	256,015,899	253,841,702
Arising from business combination		
Repayment of interest bearing borrowings	(75,582,339)	(66,636,469)
Total changes from financing cash flows	767,036,390	731,269,459
The effect of changes in foreign exchange rates	19,565,682	19,565,670
Other changes		
Interest expense	25,760,799	24,562,225
Interest paid	(20,907,634)	(20,143,091)
Balance as at 31 December 2020	**791,455,234**	**755,254,263**

37 Retirement benefit obligation

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Recognised liability for defined benefit obligations (see note (a) below)	4,960,970	4,584,149	4,960,970	4,584,149
Liability for defined contribution obligations	22,071	357,119	-	-
	4,983,041	**4,941,268**	**4,960,970**	**4,584,149**

(a) **Defined benefit obligations**

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

In thousands of Naira	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Post employment benefit plan (see note (i) below)	4,960,969	4,584,148	4,960,970	4,584,149
Recognised liability	**4,960,969**	**4,584,148**	**4,960,970**	**4,584,149**

(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 periods 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 period 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 June 2021	Group December 2020	Bank June 2021	Bank December 2020
Defined benefit obligations at 1 January	4,584,149	3,418,060	4,584,149	3,418,060
Charge for the period:				
-Interest costs	203,130	335,624	203,130	335,624
-Current service cost	173,691	446,688	173,691	446,688
-Benefits paid	-	-	-	-
Net actuarial gain/(loss) for the period remeasured in OCI:	-	-	-	-
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	-	(225,495)	-	(225,495)
Remeasurements - Actuarial gains and losses arising from changes in salary increases	-	(457,067)	-	(457,067)
Remeasurements - Actuarial gains and losses arising from changes in promotions	-	67,849	-	67,849
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	-	998,490	-	998,490
Balance, end of period	**4,960,970**	**4,584,149**	**4,960,970**	**4,584,149**
Expense recognised in income statement:				
Current service cost	173,691	446,688	173,691	446,688
Interest on obligation	203,130	335,624	203,130	335,624
Total expense recognised in profit and loss (see Note 14)	**376,821**	**782,312**	**376,821**	**782,312**

All retired benefit obligations have been classified as non current with a closing amount of N4.96 billion for both Group and Bank

The weighted average duration of the defined benefit obligation is 9.7 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 to a 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

The sensitivities below relates to Group and Bank.

June 2021

In thousands of Naira	Impact on defined benefit obligation: Decrease in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Increase in liability by 5.6%	5,238,784	-
Effect of changes in assumption to the salary growth	Decrease in the liability by 4.9%	4,717,882	-
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	4,959,977	-

	Impact on defined benefit obligation: Increase in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.2%	4,702,999	-
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	5,218,940	-
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.02%	4,961,962	-

December 2020

In thousands of Naira	Impact on defined benefit obligation: Decrease in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Increase in liability by 5.6%	4,841,189	(271,107)
Effect of changes in assumption to the salary growth	Decrease in liability by 4.9%	4,359,049	213,593
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	4,583,274	917

	Impact on defined benefit obligation: Increase in assumption by 1%	Liability changes to	Total comprehensive income
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.2%	4,346,049	225,995
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	4,824,327	(250,865)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	4,585,103	(917)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

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 2020.

	June 2021	December 2020
Discount rate	7.10%	7.10%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	1.70%	11.70%
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)	1.70%	1.50%

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 7.1% as at 30 June 2021. 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 June 2021	Bank December 2020
(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 June 2021	Bank December 2020
(b) Issued and fully paid-up :		
35,545,225,622 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 June 2021
Balance, beginning of the period	17,772,613
Balance, end of the period	17,772,613

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

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

In thousands of units	Group June 2021	Group December 2020
Balance, beginning of the period	35,545,226	35,545,226
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 June 2021
Balance, beginning of the period	234,038,850
Balance, end of the period	234,038,850

In thousands of Naira	Group December 2020
Balance, beginning of the period	197,974,816
Additions through scheme of merger	36,064,034
Balance, end of the period	234,038,850

C Retained earnings

	Group June 2021	Restated Group December 2020	Bank June 2021	Restated Bank December 2020
Retained earnings	331,044,522	221,665,749	257,975,907	188,925,555

D Other components of equity

	Group June 2021	Group December 2020	Bank June 2021	Bank December 2020
Other regulatory reserves (see i(a) below)	129,292,288	93,322,654	103,788,878	83,061,699
Share Scheme reserve	2,370,229	1,881,768	1,466,060	1,881,767
Treasury Shares	(6,321,273)	(4,795,914)	-	-
Capital Reserve	3,489,080	3,489,080	3,489,081	3,489,081
Fair value reserve	(2,311,322)	964,243	(7,837,627)	835,473
Foreign currency translation reserve	34,439,368	11,780,013	-	-
Regulatory risk reserve	20,611,563	18,091,941	14,971,416	9,483,000
	181,569,932	**124,733,785**	**115,877,807**	**98,751,020**

(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 periods 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	
	June 2021	December 2020	June 2021	December 2020	June 2021	December 2020
Group *In thousand of Naira*						
Opening	82,063,378	82,063,378	826,568	826,568	82,889,946	82,889,946
Transfers during the perio	13,717,181	10,432,708	-	-	13,717,181	10,432,708
Closing	95,780,559	92,496,086	826,568	826,568	96,607,127	93,322,654
Bank *In thousand of Naira*						
Opening	71,199,773	71,199,773	826,568	826,568	72,026,341	72,026,341
Transfers during the perio	8,721,278	11,035,359	-	-	8,721,278	11,035,359
Closing	79,921,052	82,235,132	826,568	826,568	80,747,620	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 investments measured through other comprehensive income 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 IFRS.

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

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

In thousands of Naira	Group June 2021	Group December 2020
Access Bank, Gambia	880,537	720,721
Access Bank, Sierra Leone	47,667	52,367
Access Bank Zambia	1,908,264	2,139,647
Access Bank, Rwanda	896,922	1,110,453
Access Bank, Congo	5,444	3,248
Access Bank, Ghana	6,067,429	4,502,399
Access Bank, Mozambique	4,836	-
Access Bank, Kenya	1,425	-
Access Bank, South Africa	1,194,581	-
	11,007,106	**8,528,835**

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

In thousands of Naira	Group June 2021	Group June 2020
Access Bank, Gambia	21,109	17,351
Access Bank, Sierra Leone	3,442	5,044
Access Bank Zambia	214,167	152,803
Access Bank, Rwanda	32,003	63,029
Access Bank, Congo	416	17
Access Bank, Ghana	662,616	769,491
Access Bank, Mozambique	142	-
Access Bank, Kenya	139	-
Access Bank, South Africa	(98,796)	-
	835,237	**1,007,735**

	Group June 2021	Group December 2020
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12%
Access Bank, Sierra Leone	1%	3%
Access Bank Zambia	30%	30%
Access Bank, Rwanda	9%	25%
Access Bank Congo	0%	0%
Access Bank, Ghana	7%	7%
Access Bank, Mozambique	0.02%	0%
Access Bank, Kenya	0.02%	0%
Access Bank, South Africa	9.65%	0%

F Dividends

In thousands of Naira	Bank June 2021	Bank December 2020
Interim dividend paid (June 2020: 25K)	-	8,886,306
Final dividend paid (Dec 2020: 55k, Dec 2019: 40k)	19,549,874	14,218,090
	19,549,874	**23,104,396**
Interim dividend proposed (Jun 2021: 30k)	10,663,568	-
Number of shares	35,545,226	35,545,226

The Directors proposed an interim dividend of 30k for the period ended 30 June 2021

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. N2.17Bn provision has been made as at 30 June 2021.

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 June 2021	Group December 2020	Bank June 2021	Bank December 2020
Contingent liabilities:				
Transaction related bonds and guarantees	465,918,521	378,808,847	433,036,776	335,064,193
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	354,929,787	445,538,945	335,585,737	341,751,564
	820,848,308	**824,347,792**	**768,622,513**	**676,815,757**

The Bank granted clean line facilities for letters of credit during the year to guarantee the performance of customers to third parties. Contractual capital commitments undertaken by the Bank during the period amounted to N465.47Mn(31 Dec 2020: N2.01Bn)

The financial assets held by Access pension fund custodian in trust for customers for the period is listed below

b Pension assets under custody

In thousands of Naira	Access Pension Funds Custodian June 2021	Access Pension Funds Custodian December 2020
Cash	2,128,381	8,971,739
Mutual fund investments	867,407	3,137,660
Debt instruments	290,681,713	280,188,949
Quoted equity investments	30,917,819	31,271,691
Fixed deposits	49,845,401	39,268,539
Real estate	8,199,409	11,481,661
Unquoted equity	-	-
	382,640,130	**377,103,925**

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 June 2021	Group December 2020	Bank June 2021	Bank December 2020
Cash on hand and balances with banks	955,026,252	502,781,098	710,293,273	456,588,630
Unrestricted balances with central banks	93,764,197	51,127,104	32,912,351	13,639,189
Money market placements	159,334,312	89,783,184	101,038,664	40,095,276
Investment under management	23,881,676	23,785,009	23,881,676	23,785,009
Treasury bills with original maturity of less than 90days	109,378,616	170,370,193	109,378,616	170,370,193
	1,341,385,054	**837,846,588**	**977,504,581**	**704,478,297**

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 June 2021	Bank June 2021	Group June 2021	Bank June 2021
Net debt	169,160,060	169,160,060	791,455,234	755,254,263
Acquired from business combinations	5,305,180	-	-	-
Proceeds from interest bearing borrowings	-	-	96,304,441	69,128,803
Repayment of interest bearing borrowings	-	-	(68,669,590)	(56,527,354)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	174,465,240	169,160,060	819,090,085	767,855,712
The effect of changes in foreign exchange rates	3,164,767	3,164,767	11,866,783	8,248,630
Other changes				
Interest expense	10,144,246	10,144,246	21,605,496	20,439,637
Interest paid	(9,913,974)	(9,913,974)	(17,284,380)	(15,715,312)
Balance	**177,860,278**	**172,555,098**	**835,277,989**	**780,828,667**

	Debt securities issued		Interest bearing borrowings	
	Group December 2020	Bank December 2020	Group December 2020	Bank December 2020
Net debt	157,987,877	157,987,877	586,602,830	544,064,226
Proceeds from interest bearing borrowings	-	-	256,015,899	253,841,702
Arising from business combination	-	-	-	-
Repayment of interest bearing borrowings	-	-	(75,582,339)	(66,636,469)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	157,987,877	157,987,877	767,036,390	731,269,459
The effect of changes in foreign exchange rates	11,102,709	11,102,709	19,565,682	19,565,680
Other changes				
Interest expense	19,305,691	19,305,691	25,760,799	24,562,225
Interest paid	(19,236,218)	(19,236,218)	(20,907,634)	(20,143,091)
Balance	**169,160,061**	**169,160,059**	**791,455,238**	**755,254,273**

(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 Contraventions of the Banks and Other Financial Institutions Act of Nigeria and CBN circulars

S/N	Regulatory Body		Date
(I)	The Security exchange commissions	Sum of N2.9m in respect of delayed response to the queries of the Securities and Exchange Commission on cases with two (2) customers.	6 Nov 2020
(II)	Central Bank of Nigeria	Sum of N2million in respect of CBN's directive on migration of some accounts to a specified product	18 Nov 2020
(III)	Central Bank of Nigeria	Sum of N80m being penalty for contravening the Central Bank's Foreign Exchange Regulations from Jan 1, 2013 to July 31, 2020	17 Mar 2021
(IV)	The Security exchange commissions	Sum of N0.5 million in respect of contravention of rule for receiving bank	24 May 2021
(V)	The Security exchange commissions	Sum of N0.5 million in respect of a shareholder's complaint on dividend	25 May 2021
(VI)	Central Bank of Nigeria	Sum of N2million in respect of CBN's Consumer Protection report for the period of Jul 2020- Dec 2020	4 Jun 2021
(VII)	Central Bank of Nigeria	Sum of N2.25m in respect of failure to comply with the CBN's AML/CFT regulations and KYC policies in respect of a customer's account	15 Apr 2021
(VIII)	Central Bank of Nigeria	Sum of N100million in respect of failure to comply with Guidelines on Diaspora remittances	19 Mar 2021

42 Events after reporting date

Subsequent to the end of the financial period, the Board of Directors proposed an interim dividend of 30k each payable to shareholders on register of shareholding at the closure date.

43 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

Transactions with key management personnel
The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Access Bank Plc and its subsidiaries.

Parent

The parent company, which is also the ultimate parent company, is Access Bank Plc.

(a) Loans and advances to related parties

The bank granted various credit facilities to its subsidiary companies and key management personnel. Key Management Personnel is defined as members of the Board of Directors of the bank, including their close members of family and any entity over which they exercise control. Close member of family are those who may be expected to influence or be influenced by that individual in dealings with the bank. The rates and terms agreed are comparable to other facilities being held in the bank's portfolio. Details of these are described below:

Period ended 30 June 2021	**Directors and other key management personnel (and close family members)**	**Subsidiaries**	**Associate**	**Total**
In thousands of Naira				
Balance, beginning of period	1,023,983	173,100,523	-	**174,124,506**
Net movement during the period	383,962	12,601,626	941,354	**13,926,942**
Balance, end of period	1,407,945	185,702,149	941,354	**188,051,448**
Interest income earned	28,601	433,005	43,073	**504,679**
ECL due from related parties expense	-	-		**-**

The loans issued to directors and other key management personnel (and close family members) as at 30 June 2021 is N1.4Bn and they are repayable in various cycles ranging from monthly to annually over the tenor. The transactions were carried out at arms length and have an average tenor of 2 years. The loans are collateralised by a combination of lien on shares of quoted companies, fixed and floating debentures, corporate guarantee, negative pledge, domiciliation of proceeds of company's receivables, legal mortgages and cash.

The loan to subsidiaries relates to a foreign interbank placements of USD451M granted during the year. It is a non-collateralised placement advanced at an average interest rate of 0.32% and an average tenor of 11 months. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

The loan to associate as at 30 June 2021 is N941M at an average interest rate of 12% and an average tenor of 5years.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at period end.

(b) Deposits from related parties

	Directors (and close family members and related entities)	**Subsidiaries**	**Associate**	**Total**
30 June 2021				
In thousands of Naira				
Balance, beginning of period	2,597,662	107,429,798	-	**110,027,460**
Net movement during the period	(227,058)	63,083,454	23,367	**62,879,763**
Balance, end of period	2,370,604	170,513,252	23,367	**172,907,223**
Interest expenses on deposits	31,057	1,496,653	-	**1,527,710**

The deposits are majorly term deposit with an average interest rate and tenor of approximately 3% and 7 months for directors and 6% and 3 months for subsidiaries.

(c) Borrowings from related parties

	Subsidiaries	**Associate**	**Total**
In thousands of Naira			
Borrowings at 1 January 2021	20,368,784	-	**20,368,784**
Net movement during the period	(20,368,784)	-	**(20,368,784)**
Borrowings at 30 June 2021	-	-	-
Interest expenses on borrowings	285,710	-	**285,710**

(d) Other balances and transactions with related parties

In thousands of Naira	Directors (and close family members and related entities)	Subsidiaries	Associate	Total
Cash and cash equivalent	-	73,385,271	-	**73,385,271**
Deposit from financial institutions	-	-	-	**-**
Receivables	-	811,661	-	**811,661**
Payables	-	876,753	-	**876,753**
Other Liabilities	-	949,880	-	**949,880**
Off balance sheet exposures	-	49,823,610	-	**49,823,610**

(e) Key management personnel compensation for the period comprises:

Directors' remuneration

In thousands of Naira	June 2021	June 2020
Non-executive Directors		
Fees	58,125	47,708
Other emoluments:		
Allowances	528,825	449,794
	586,950	497,502

	June 2021	December 2020
Executive directors		
Short term employee's benefit	180,000	332,500
Defined contribution plan	23,750	31,615
Share based payment	47,272	45,923
Retirement benefits paid	-	-
	251,022	**410,038**

(f) Directors remuneration:

Remuneration paid to directors of the Bank (excluding pension contributions and other benefits) was as follows:

In thousands of Naira	June 2021	June 2020
Fees as Directors	58,125	47,708
Other emoluments	403,575	449,794
Wages and salaries	180,000	132,110
Allowances	125,250	113,813

The Directors remuneration shown above includes

	June 2021	December 2020
Chairman	64,706	65,630
Highest paid director	69,015	120,000

The emoluments of all other directors fell within the following ranges:

	June 2021	December 2020
N13,000,001-N20,000,000	-	-
N20,000,001-N37,000,000	7	7
AboveN37,000,000	10	10
	17	17

44 Business Combination

(a) Business Combination with Transnational Bank Kenya

The Bank recently acquired Transnational Bank in Kenya with effect from 20 July 2020. The acquisition involved the Bank acquiring the 99.98% issued share capital of Transnational Bank in exchange for cash consideration of N5,517,428,970 (Five billion, five hundred and seventeen thousand, four hundred and twenty eight thousand, nine hundred and seventy naira)

In fulfilment of the consideration for the acquisition, Transnational Bank's shareholders received a total cash consideration offer of N5,634,410,000 comprising of (i) a cash consideration payment of N4,225,807,500 (Four billion, two hundred and twenty five million, eight hundred and seven thousand, five hundred Naira) (ii) a deferred payment of N1,408,602,500 (one billion, four hundred and eight million six hundred and two thousand, five hundred naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N1,291,620, 470 using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya. The goodwill computation is provisional at the time of this report.

In thousands of Naira	Bank July 2020
Considerations:	
Cash payment	4,225,808
Consideration deferred	1,291,620
Total Consideration	**5,517,428**
Net assets/ (liabilities) acquired from business combination (see note 44	(1,028,906)
Goodwill	**6,546,334**

The fair value of the net assets/(liabilities) acquired include:

(b)

	Group July 2020
Assets	
Cash and balances with banks	7,618,165
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-
Loans to banks	-
Loans and advances to customers	17,416,132
Investment securities	12,143,738
Investment properties	-
Other assets	1,915,647
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	575,777
Intangible assets	104,643
Deferred tax assets	597,462
	40,371,564
Asset classified as held for sale and discontinued operations	-
Total assets	**40,371,564**
Liabilities	
Deposits from financial institutions	-
Deposits from customers	32,906,716
Derivative Liabilities	-
Current tax liabilities	-
Other liabilities	8,493,018
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	41,399,734
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**41,399,734**
Net assets/ (liabilities)	**(1,028,170)**
Non controlling interest	734
Owners of the Bank equity	**(1,028,906)**

(c) Business Combination with Grobank South Africa

The Bank recently acquired Grobank in South Africa with effect from 4th May 2021. As part of the acquisition, Grobank issued additional units of shares to the Bank. The acquisition involved the Bank acquiring 90.35% of the net assets in exchange for cash of N11,411,682,891 (Eleven billion, four hundred and eleven thousand, six hundred and eighty two thousand, eight hundred and ninety one Naira). The cash consideration is considered as the fair value of the shares acquired and the bargain purchase is considered provisional as at the reporting period. This will be concluded within the 12months window as allowed by IFRS 3.

In thousands of Naira	Bank April 2021
Considerations:	
Cash payment	11,411,683
Total Consideration	**11,411,683**
Fair value of NCI (non-controlling interests) at acquisiton	1,328,824
Fair Value of Net assets/ (liabilities) acquired from business combination (see note 44 (f) below)	13,770,195
Fair value adjustment	-
Bargain Purchase	**(1,029,688)**

The fair value of the net assets/(liabilities) acquired include:

		Group April 2021
(d)	**Assets**	
	Cash and balances with banks	34,737,620
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	-
	Loans and advances to customers	49,301,551
	Investment securities	8,007,436
	Investment properties	-
	Other assets	-
	Investment in subsidiaries	-
	Investment in associates	-
	Property and equipment	288,153
	Intangible assets	1,682,031
	Deferred tax assets	-
		94,016,791
	Asset classified as held for sale and discontinued operations	-
	Total assets	**94,016,791**
	Liabilities	
	Deposits from financial institutions	3,516,176
	Deposits from customers	70,230,470
	Derivative Liabilities	90,038
	Current tax liabilities	-
	Other liabilities	6,409,912
	Deferred tax liabilities	-
	Debt securities issued	-
	Interest-bearing borrowings	-
		80,246,596
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**80,246,596**
	Net assets/ (liabilities)	**13,770,195**
	Non controlling interest	1,328,824
	Owners of the Bank equity	**12,441,371**

(e) Business Combination with Cavmont Bank Zambia

Access Bank Zambia recently acquired Cavmont Bank in Zambia with effect from 4th January 2021. The acquisition involved the Bank acquiring 100% issued share capital of Cavmont Bank. The net asset acquired has been recognized as a bargain purchase and is shown as a separae line item in the statement of comprehensive income.

In thousands of Naira	Bank January 2021
Considerations:	
Cash payment	-
Total Consideration	**-**
Net assets/ (liabilities) acquired from business combination (see note 44	1,454,574
Fair value adjustment	-
Bargain Purchase	**(1,454,574)**

The fair value of the net assets/(liabilities) acquired include:

		Group January 2021
(f)	**Assets**	
	Cash and balances with banks	9,581,672
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	-
	Loans and advances to customers	12,962,540
	Investment securities	10,457,167
	Investment properties	-
	Other assets	1,845,534
	Investment in subsidiaries	
	Investment in associates	
	Property and equipment	793,103
	Intangible assets	
	Deferred tax assets	
		35,640,017
	Asset classified as held for sale and discontinued operations	-
	Total assets	**35,640,017**
	Liabilities	
	Deposits from financial institutions	10,302,363
	Deposits from customers	22,813,433
	Derivative Liabilities	
	Current tax liabilities	
	Other liabilities	1,069,646
	Deferred tax liabilities	
	Debt securities issued	
	Interest-bearing borrowings	-
		34,185,442
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**34,185,442**
	Net assets/ (liabilities)	**1,454,574**
	Non controlling interest	-
	Owners of the Bank equity	**1,454,574**

(g) Business Combination with ABC Mozambique

Access Bank Mozambique recently acquired BancABC Bank in Mozambique with effect from 14th May 2021. The acquisition involved the Bank acquiring 99.997% issued share capital of BancABC in exchange for cash of N9,259,068,053 (Nine billion, two hundred and fifty nine million, sixty eight thousand and fifty three naira) used to pay off the shareholders of former BancABC.

The consideration for the acquisition comprises of (i) a cash consideration payment of N5,171,476,925 (Five billion, one hundred and seventy one million, four hundred and seventy six thousand, nine hundred and twenty five Naira) (ii) a deferred payment of N5,164,813,558 (Five billion one hundred and sixty-four million, eight hundred and thirteen thousand, five hundred and fifty-eight naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N4,087,591,127 using a discount rate of 12.4% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Mozambique. The goodwill has been computed by comparing the fair value of the nest asset of former BancABC to the present value of the cash consideration paid for the acquisition. The goodwill computation is provisional at the time of this report.

In thousands of Naira	Bank May 2021
Considerations:	
Cash payment	5,171,477
Consideration deferred	4,087,591
Total Consideration	**9,259,068**
Net assets/ (liabilities) acquired from business combination (see note 44	9,415,220
Fair value adjustment	-
Adjusted Net assets/(liabilities) acquired from business combination (see	9,415,220
Bargain Purchase	**(156,152)**

The fair value of the net assets/(liabilities) acquired include:

		Bank May 2021
(h)	**Assets**	
	Cash and balances with banks	19,195,002
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	19,637,926
	Loans and advances to customers	37,517,009
	Investment securities	8,606,809
	Investment properties	2,567,416
	Other assets	2,121,854
	Investment in subsidiaries	-
	Investment in associates	-
	Property and equipment	3,694,913
	Intangible assets	171,416
	Deferred tax assets	1,837,758
		95,350,103
	Asset classified as held for sale and discontinued operations	-
	Total assets	**95,350,103**
	Liabilities	
	Deposits from financial institutions	765,456
	Deposits from customers	79,068,342
	Derivative Liabilities	-
	Current tax liabilities	-
	Other liabilities	3,337,927
	Deferred tax liabilities	-
	Debt securities issued	-
	Interest-bearing borrowings	2,762,874
		85,934,599
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**85,934,599**
	Net assets/ (liabilities)	**9,415,502**
	Non controlling interest	282
	Owners of the Bank equity	**9,415,220**

45 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.

b. Full compliance with the relevant CBN policies on insider-related lending.
c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.
d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.

e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.

f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a year of more than 12months."

The Bank's principal exposure to all its directors as at 30 June 2021 is N1.28Bn. However, the relevant obligors under this category also have credit balances and deposits maintained in their bank accounts which mitigate the risks to the bank.

Below is a schedule showing the details of the Bank's director-related lending:

S/N	Name of borrower	Relationship to reporting institution	Name of related Directors	Facility type	Outstanding Principal	Status	Nature of security
1	Sic Property and Investment Company Ltd	Ex Non-executive director	Mr Ortisedere Otubu	Term Loan	875,676,522	Performing	Legal Mortgage
2	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	404,704,970	Performing	Cash collateral
				Credit Card	110	Performing	Cash collateral
3	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Overdraft	3,789	Performing	Cash collateral
				Credit Card	3,124,014	Performing	Cash collateral
	Balance, end of period				**1,283,509,405**		

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira

	Group June 2021	%	Group June 2020	%
Gross earnings	450,620,909		396,757,240	
Interest expense				
Foreign	(24,675,624)		(31,049,313)	
Local	(63,240,815)		(67,531,039)	
	362,704,470		298,176,888	
Net impairment (loss) on financial assets	(27,616,449)		(16,875,627)	
Net impairment loss on other financial assets	(1,052,557)		409,936	
Bought-in-materials and services				
Foreign	(6,579,021)		(3,123,911)	
Local	(134,522,547)		(128,734,256)	
Value added	**192,933,895**		**149,853,031**	
Distribution of Value Added				
To Employees:				
Employees costs	43,604,489	23%	36,251,381	24%
To government				
Government as taxes	10,560,073	5%	13,271,429	9%
To providers of finance				
Interest on borrowings	31,749,743	16%	21,934,753	15%
Dividend to shareholders	19,549,874	10%	14,218,090	9%
Retained in business:				
For replacement of property and equipment and intangible assets	20,084,071	10%	17,360,673	12%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	67,385,645	35%	46,816,704	31%
	192,933,894	**100%**	**149,853,031**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira	Bank June 2021	%	Bank June 2020	%
Gross earnings	353,739,124		338,581,878	
Interest expense				
Foreign	(24,936,439)		(31,411,993)	
Local	(45,363,116)		(55,515,175)	
	283,439,569		251,654,710	
Net impairment (loss) on financial assets	(22,273,167)		(14,768,610)	
Net impairment loss on other financial assets	(582,839)		-	
Bought-in-materials and services				
Foreign	(6,579,021)		(3,538,360)	
Local	(120,417,165)		(120,321,536)	
Value added	**133,587,377**		**113,026,204**	
Distribution of Value Added				
To Employees:				
Employees costs	27,464,537	21%	27,831,950	25%
To government				
Government as taxes	1,206,087	1%	6,493,870	6%
To providers of finance				
Interest on borrowings	30,583,884	23%	21,305,912	19%
Dividend to shareholders	19,549,874	15%	14,218,090	13%
Retained in business:				
For replacement of property and equipment	16,191,017	12%	14,818,602	13%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	38,591,978	29%	28,357,778	25%
	133,587,378	**100%**	**113,026,204**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

	June 2021	December 2020	Restated December 2019	December 2018	Restated December 2017
Group					
	6 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	1,364,570,882	723,872,820	723,064,003	740,926,362	547,134,325
Investment under management	31,611,718	30,451,466	28,291,959	23,839,394	20,257,131
Non pledged trading assets	137,974,558	207,951,943	129,819,239	38,817,147	46,854,061
Pledged assets	256,796,084	228,545,535	605,555,891	554,052,956	447,114,404
Derivative financial instruments	187,122,508	251,112,745	143,520,553	128,440,342	93,419,293
Loans and advances to banks	408,021,137	392,821,307	152,825,081	142,489,543	68,114,076
Loans and advances to customers	3,582,947,324	3,218,107,027	2,911,579,708	1,993,606,233	1,995,987,627
Investment securities	2,039,757,026	1,749,549,145	1,084,604,187	501,072,480	278,167,758
Investment properties	217,000	217,000	927,000	-	-
Other assets	1,692,368,174	1,548,891,262	1,055,510,452	704,326,780	489,563,282
Investment properties	-	217,000	-	-	-
Investment in associates	2,496,604	-	-	-	-
Property and equipment	242,196,605	226,478,704	211,214,241	103,668,719	97,114,642
Intangible assets	68,381,568	69,189,845	62,479,692	9,752,498	8,295,855
Deferred tax assets	5,338,759	4,240,448	8,807,563	922,660	740,402
Assets classified as held for sale	35,050,303	28,318,467	24,957,519	12,241,824	9,479,967
Total assets	10,054,850,247	8,679,747,714	7,143,157,088	4,954,156,939	4,102,242,823
Liabilities					
Deposits from financial institutions	1,758,573,492	958,397,171	1,186,356,312	994,572,845	450,196,970
Deposits from customers	5,974,755,925	5,587,418,213	4,255,837,303	2,564,908,384	2,244,879,075
Derivative financial instruments	10,099,966	20,880,529	6,885,680	5,206,001	5,332,177
Current tax liabilities	2,564,906	2,159,921	3,531,410	4,057,862	7,489,586
Other liabilities	492,536,093	379,416,786	324,333,880	246,438,951	258,166,549
Deferred tax liabilities	15,501,952	14,877,285	11,272,928	6,456,840	8,764,262
Debt securities issued	177,860,278	169,160,059	157,987,877	251,251,383	302,106,706
Interest-bearing borrowings	842,541,570	791,455,237	586,602,830	388,416,734	311,617,187
Retirement benefit obligations	4,983,041	4,941,268	3,609,037	2,336,183	2,495,274
Total liabilities	9,279,417,223	7,928,706,469	6,536,417,257	4,463,645,183	3,591,047,785
Equity					
Share capital and share premium	251,811,463	251,811,463	251,811,463	212,438,802	212,438,802
Retained earnings	331,044,522	252,396,881	221,665,749	155,592,892	113,449,307
Other components of equity	181,569,935	239,494,175	124,733,788	114,609,701	178,399,413
Non controlling interest	11,007,105	7,338,726	8,528,834	7,870,360	6,907,515
Total equity	775,433,025	751,041,245	606,739,835	490,511,756	511,195,038
Total liabilities and Equity	10,054,850,247	8,679,747,714	7,143,157,088	4,954,156,935	4,102,242,820
Gross earnings	450,620,909	764,717,441	666,753,601	528,744,579	459,075,779
Profit before income tax	97,495,592	125,922,129	111,925,523	103,187,703	78,169,119
Profit from continuing operations	86,935,519	106,009,695	94,056,603	94,981,086	60,087,491
Profit for the period	86,935,519	106,009,695	94,056,603	94,981,086	60,087,491
Non controlling interest	835,238	1,326,710	1,007,735	962,845	13,090
Profit attributable to equity holders	86,100,280	104,682,985	93,048,868	94,018,240	60,074,401
Dividend paid	19,549,874	23,104,397	14,218,090	18,803,180	18,803,180
Earning per share - Basic	248k	300k	173k	330k	218k
- Adjusted	242k	294k	169k	325k	214k
Number of ordinary shares of 50k	35,545,225,623	35,545,225,623	35,545,225,623	28,927,971,631	28,927,971,631

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Bank	**June 2021**	**December 2020**	**Restated December 2019**	**December 2018**	**Restated December 2017**
	6 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	997,884,070	589,812,439	575,906,273	338,289,912	252,521,543
Investment under management	31,611,718	30,451,466	28,291,959	23,839,394	20,257,131
Non pledged trading assets	45,273,803	110,283,112	76,971,761	36,581,058	43,016,990
Pledged assets	256,796,084	228,545,535	605,555,892	554,052,956	440,503,327
Derivative financial instruments	182,269,354	244,564,046	143,480,073	128,133,789	92,390,219
Loans and advances to banks	206,089,405	231,788,276	164,413,001	100,993,116	101,429,001
Loans and advances to customers	3,113,306,375	2,818,875,731	2,481,623,671	1,681,761,862	1,771,282,739
Investment securities	1,578,142,912	1,428,039,657	813,706,953	258,580,286	121,537,302
Other assets	1,605,132,990	1,490,633,058	1,004,310,282	625,813,176	469,812,502
Investment properties	217,000	217,000	727,000	-	-
Investment in associates	2,488,301	-	-	-	-
Investment in subsidiary	176,463,861	164,251,532	131,458,709	111,203,496	87,794,631
Property and equipment	194,896,727	191,893,320	188,634,458	88,392,543	83,676,723
Intangible assets	63,155,380	67,496,079	67,550,666	8,231,197	5,981,905
Deferred tax assets	-	-	-	-	-
Assets classified as held for sale	34,860,303	28,128,467	24,957,518	12,241,824	9,479,967
Total assets	8,488,588,283	7,624,979,718	6,307,588,216	3,968,114,609	3,499,683,979
Liabilities					
Deposits from banks	1,579,353,651	831,632,332	1,079,284,414	616,644,611	276,140,835
Deposits from customers	4,872,251,742	4,832,744,495	3,668,339,811	2,058,738,930	1,910,773,713
Derivative financial instruments	9,765,338	20,775,722	6,827,293	5,185,870	5,306,450
Debt securities issued	172,555,098	169,160,059	157,987,877	251,251,383	302,106,706
Current tax liabilities	3,647,727	2,546,893	1,409,437	2,939,801	4,547,920
Other liabilities	428,557,911	342,460,268	302,261,950	222,046,143	242,948,060
Retirement benefit obligations	4,960,970	4,584,149	3,418,060	2,319,707	2,481,916
Interest-bearing borrowings	780,828,678	755,254,273	544,064,226	363,682,441	282,291,141
Deferred tax liabilities	11,001,992	11,925,861	4,507,110	4,505,966	7,848,515
Total liabilities	7,862,923,107	6,971,084,052	5,768,100,178	3,527,314,851	3,034,445,256
Equity					
Share capital and share premium	251,811,463	251,811,463	251,811,463	212,438,802	212,438,802
Retained earnings	257,975,909	206,896,038	188,925,555	148,238,575	115,966,230
Other components of equity	115,877,804	195,188,165	98,751,019	80,122,380	136,833,692
Total equity	625,665,176	653,895,666	539,488,037	440,799,757	465,238,724
Total liabilities and Equity	8,488,588,283	7,624,979,718	6,307,588,214	3,968,114,608	3,499,683,980
Gross earnings	353,739,124	634,863,770	576,347,840	435,743,037	398,161,576
Profit before income tax	59,347,938	90,195,880	79,213,711	75,248,146	65,140,136
Profit for the period	58,141,849	80,039,329	70,115,989	73,596,295	51,335,460
Dividend paid	19,549,874	23,104,397	18,803,180	18,803,180	15,910,384
Earning per share - Basic	164k	225k	207K	177k	221k
- Adjusted	164k	225k	207K	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