Access Bank Plc

Unaudited Consolidated and separate financial statements for the period ended 30 September 2023

Access Bank Plc
Index to the consolidated and separate financial statements
For the period ended 30 September 2023

Corporate information

This is the list of Directors who served in the Bank during the period

Directors

*Dr. (Mrs.) Ajoritsedere Josephine Awosika, MFR, mni	Chairman/Non-Executive Director
**Mr. Paul Usoro, SAN	Chairman/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
Dr. Okey Vitalis Nwuke,FCA	Non-Executive Director
Mr. Hassan Tanimu Musa Usman,FCA	Independent Non-Executive Director
Mrs. Omosalewa Temidayo Fajobi	Non-Executive Director
Mrs. Titilayo Osuntoki, HCIB	Non-Executive Director
Mr. Herbert Onyewumbu Wigwe, FCA	Non-Executive Director
Mr. Roosevelt Michael Ogbonna,FCA,CFA	Managing Director/Chief Executive Officer
Mr. Victor Okenyenbunor Etuokwu, HCIB	Deputy Managing Director
Mrs. Chizoma Joy Okoli, HCIB	Deputy Managing Director
Dr. Gregory Ovie Jobome, HCIB	Executive Director
Ms. Hadiza Ambursa	Executive Director
Mr. Oluseyi Kolawole Kumapayi,FCA	Executive Director
***Mrs. Iyabo Soji-Okusanya, FCA, FCIB	Executive Director

*Retired effective May 22, 2023
**Appointed as Chairman effective May 22, 2023
***Appointed effective June 14, 2023

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.

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

Independent Auditors
KPMG
KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos.
Telephone: (01) 271 8955
Website: www.kpmg.com/ng

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/0000000000504

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:

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+234 (1) 236 4365
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Consolidated and separate statements of comprehensive income

In millions of Naira	***Notes***	**Group September 2023**	**Group September 2022**	**Bank September 2023**	**Bank September 2022**
Interest income calculated using effective interest rate	8	953,374	497,229	722,999	372,275
Interest income on financial assets at FVTPL	8	95,089	74,508	88,270	61,638
Interest expense	8	(645,366)	(291,449)	(561,327)	(247,967)
Net interest income		403,097	280,287	249,942	185,946
Net impairment charge on financial assets	9	(61,825)	(52,953)	(56,607)	(48,504)
Net interest income after impairment charges		341,272	227,335	193,335	137,442
Fee and commission income	10 (a)	199,463	133,237	141,818	98,669
Fee and commission expense	10 (b)	(59,622)	(38,311)	(52,593)	(33,538)
Net fee and commission income		139,841	94,926	89,225	65,131
Net gains on financial instruments at fair value	11a,b	82,414	78,435	82,156	77,234
Net foreign exchange gains	12 a	144,858	96,895	118,339	83,188
Net (loss)/gains on fair value hedge (Hedging ineffectiveness)	12 b	90,649	8,796	90,649	8,796
Other operating income	13 (a)	17,442	16,514	11,136	20,635
Personnel expenses	14	(112,747)	(88,639)	(59,926)	(56,804)
Depreciation	28	(29,815)	(22,452)	(21,894)	(17,427)
Amortization and impairment	29	(12,242)	(10,272)	(7,498)	(7,573)
Other operating expenses	15	(353,301)	(252,971)	(302,138)	(216,673)
Share of profit of investment in Associate	27 (a)	382	118	-	-
Profit before tax		308,753	148,683	193,383	93,947
Income tax	16	(43,398)	(10,289)	(13,831)	(1,284)
Profit for the period from continuing operations		**265,355**	**138,394**	**179,553**	**92,663**
Discontinued operations					
Profit from Discontinued operations	46	-	148	-	-
Profit for the period		**265,355**	**138,542**	**179,553**	**92,663**
Other comprehensive income/(loss) (OCI):					
Items that will not be subsequently reclassified to income statement:					
Gross Actuarial (loss)/gain on retirement benefit obligations	37 (a) i	213	(1,276)	213	(1,276)
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		279,435	(42,650)	-	-
Changes in fair value of FVOCI debt financial instruments	25	(32,828)	(60,371)	(79,820)	(55,753)
Changes in allowance on FVOCI debt financial instruments	25	(6,244)	396	(1,922)	422
Income tax relating to these items		(69)	-	(69)	-
Other comprehensive income/(loss), net of related tax effects		240,506	(103,901)	(81,599)	(56,607)
Total comprehensive income for the period		**505,861**	**34,493**	**97,954**	**36,057**
Profit attributable to:					
Owners of the bank		262,255	135,658	179,553	92,663
Non-controlling interest	38	3,100	2,739	-	-
Profit for the period		**265,355**	**138,394**	**179,553**	**92,663**
Total comprehensive income attributable to:					
Owners of the bank		479,657	39,388	97,954	36,057
Non-controlling interest	38	26,204	(4,894)	-	-
Total comprehensive income for the period		**505,861**	**34,493**	**97,954**	**36,057**
Total profit/(loss) attributable to owners of the bank:					
Continuing operations		262,255	135,510	179,553	92,663
Discontinued operations		-	148	-	-
		262,255	**135,658**	**179,553**	**92,663**
Total comprehensive income/(loss) attributable to owners of the bank:					
Continuing operations		479,657	39,240	97,954	36,057
Discontinued operations		-	148	-	-
		479,657	**39,388**	**97,954**	**36,057**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	738	392	505	261
Diluted (kobo)	17	738	382	505	261
Earnings per share from continuing operations attributable to owners of the bank					
Basic (kobo)	17(a)	738	392	505	261
Diluted (kobo)	17(b)	738	382	505	261
Earnings per share from discontinued operations attributable to owners of the bank					
Basic (kobo)	17(a)	-	-	-	-
Diluted (kobo)	17(b)	-	-	-	-

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

Consolidated and separate statement of comprehensive income

In millions of Naira	***Notes***	**Group 3 Months to September 2023**	**Group 3 Months to September 2022**	**Bank 3 Months to September 2023**	**Bank 3 Months to September 2022**
Interest income calculated using effective interest rate	8	357,238	154,700	245,188	107,695
Interest income on financial assets at FVTPL	8	84,388	44,734	83,132	42,668
Interest expense	8	(270,645)	(116,647)	(228,121)	(99,492)
		-		-	
Net interest income		170,980	82,787	100,199	50,872
Net impairment charge	9	(24,650)	(16,090)	(22,473)	(15,515)
Net interest income after impairment charges		146,331	66,696	77,727	35,356
		-		-	
Fee and commission income	10 (a)	79,639	52,137	51,404	39,291
Fee and commission expense	10 (b)	(22,631)	(12,648)	(19,396)	(10,866)
Net fee and commission income		57,008	39,488	32,007	28,425
		-		-	
Net gains on financial instruments	11a,b	30,465	14,299	30,324	13,968
Net foreign exchangegain/(loss)	12	(13,611)	52,855	(25,702)	47,692
Net loss on fair value hedge (Hedging ineffectiveness)		105,873	(11,282)	105,873	(11,282)
Other operating income	13	4,418	6,485	1,284	13,515
Personnel expenses	14	(50,708)	(31,197)	(24,721)	(20,650)
Depreciation	28	(11,734)	(7,524)	(7,855)	(6,019)
Amortization and impairment	29	(4,944)	(3,525)	(2,613)	(2,493)
Other operating expenses	15	(131,813)	(77,705)	(106,868)	(62,969)
Share of profit of investment in Associate		-	-	-	
Profit before tax		131,283	48,591	79,458	35,543
Income tax	16	(12,512)	(1,005)	(1,784)	(3,945)
		-		-	
Profit for the period from continuing operations		**118,771**	**47,586**	**77,673**	**31,598**
Other comprehensive income (OCI) net of income tax :					
items that will not be subsequently reclassified to income statement:					
Remeasurements of post-employment benefit obligations	37 (a) i	-	-	-	-
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		(60,565)	(10,981)	-	-
Changes in fair value of FVOCI financial instruments	25	(127,354)	(52,812)	(106,007)	(52,944)
Changes in allowance on FVOCI financial instruments	25	805	-	(802)	-
Income tax relating to these items		-		-	
Other comprehensive gain/(loss), net of related tax effects		(187,115)	(63,793)	(106,809)	(52,944)
Total comprehensive income for the period		**(68,343)**	**(16,207)**	**(29,136)**	**(21,346)**
Profit attributable to:					
Owners of the bank		117,355	46,295	77,673	31,598
Non-controlling interest	38	1,416	1,291	-	-
Profit for the period		**118,771**	**47,586**	**77,673**	**31,598**
Total comprehensive income attributable to:					
Owners of the bank		(28,750)	(17,166)	(29,136)	(21,346)
Non-controlling interest	38	(39,594)	958	-	-
Total comprehensive income for the period		**(68,343)**	**(16,207)**	**(29,136)**	**(21,346)**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	345	134	219	89
Diluted (kobo)	17	400	130	219	89

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

Consolidated and separate statements of financial position
as at 30 September 2023

In millions of Naira	*Notes*	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Assets					
Cash and balances with banks	18	3,053,175	1,961,100	2,265,911	1,445,659
Investment under management	19	5,826	3,742	5,826	3,742
Non pledged trading assets	20	208,306	102,690	163,617	77,624
Derivative financial assets	21	1,629,942	402,497	1,613,722	399,058
Loans and advances to banks	22	758,787	455,710	522,208	322,610
Loans and advances to customers	23	6,702,325	5,100,807	4,704,904	4,084,352
Pledged assets	24	1,327,512	1,265,279	1,327,512	1,265,279
Investment securities	25	4,018,388	2,761,070	2,741,833	1,946,560
Investment properties	31a	217	217	217	217
Restricted deposit and other assets	26	2,986,329	2,487,691	2,679,169	2,346,050
Investment in associates	27a	7,892	7,510	6,904	6,904
Investment in subsidiaries	27b	-	-	399,327	283,045
Property and equipment	28	350,588	293,152	266,297	245,070
Intangible assets	29	105,855	73,782	65,330	59,365
Deferred tax assets	30	31,106	15,023	1,237	7,707
		21,186,248	14,930,270	16,764,013	12,493,242
Asset classified as held for sale	31b	70,875	42,039	70,875	42,038
Total assets		**21,257,123**	**14,972,309**	**16,834,888**	**12,535,280**
Liabilities					
Deposits from financial institutions	32	3,425,202	2,005,316	3,139,300	1,637,318
Deposits from customers	33	12,746,373	9,251,238	9,548,594	7,530,062
Derivative financial liabilities	21	385,704	32,737	379,807	31,072
Current tax liabilities	16	15,362	4,501	7,262	7,556
Other liabilities	34	1,088,203	753,875	928,627	667,195
Deferred tax liabilities	30	7,035	1,796	-	-
Debt securities issued	35	478,083	307,253	472,406	303,297
Interest-bearing borrowings	36	1,322,842	1,385,424	1,147,155	1,286,869
Retirement benefit obligation	37	3,819	3,277	3,759	3,244
Total liabilities		**19,472,621**	**13,745,417**	**15,626,908**	**11,466,613**
Equity					
Share capital and share premium	38	251,811	251,811	251,811	251,811
Additional Tier 1 Capital	38	345,030	206,355	345,030	206,355
Retained earnings		532,515	409,653	371,387	321,181
Other components of equity	38	614,544	344,677	239,753	289,319
Total equity attributable to owners of the Bank		**1,743,901**	**1,212,497**	**1,207,981**	**1,068,668**
Non controlling interest	38	40,600	14,395	-	-
Total equity		**1,784,500**	**1,226,892**	**1,207,981**	**1,068,668**
Total liabilities and equity		**21,257,123**	**14,972,309**	**16,834,888**	**12,535,280**

Signed on behalf of the Board of Directors on 25 October, 2023 by:

MANAGING DIRECTOR
Roosevelt Ogbonna
FRC/2017/ICAN/00000016638

EXECUTIVE DIRECTOR
Oluseyi Kumapayi
FRC/2013/ICAN/00000000911

CHIEF FINANCIAL OFFICER
Taiwo Fowowe
FRC/2021/001/00000024694

Consolidated statements of changes in equity

In millions of Naira

Group

	Attributable to owners of the Bank													
	Share capital	**Share premium**	**Additional Tier 1 Capital**	**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, 2023	17,773	234,038	206,355	78,556	158,305	3,514	(11,228)	3,489	78,959	33,083	409,653	**1,212,497**	14,396	**1,226,890**
Total comprehensive income for the period:														
Profit for the period	-	-	-	-	-	-	-	-	-	-	262,255	262,255	3,100	265,355
Other comprehensive income/(loss), net of tax														
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	-	273,226	-	273,226	6,209	279,435
Actuarial (loss) on retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	144	144	-	144
Changes in fair value of FVOCI debt financial instruments	-	-	-	-	-	-	-	-	(49,724)	-	-	(49,724)	16,895	(32,828)
Changes in allowance on FVOCI debt financial instruments	-	-	-	-	-	-	-	-	(6,244)	-	-	(6,244)	-	(6,244)
Total other comprehensive (loss)/ income	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**(55,968)**	**273,226**	**144**	**217,402**	**23,104**	**240,504**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(55,968)**	**273,226**	**262,399**	**479,656**	**26,204**	**505,860**
Transactions with equity holders, recorded directly in equity:														
Additional Tier 1 (AT1) Capital issued	-	-	138,675	-	-	-	-	-	-	-	-	138,675	-	138,675
Finance Cost of additional Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	(47,366)	(47,366)	-	(47,366)
Transfers between reserves	-	-	-	19,613	25,283	-	-	-	-	-	(44,896)	-	-	-
Reclassification of parent shares purchased for staff	-	-	-	-	-	(6,334)	-	-	-	-	-	(6,334)		(6,334)
Scheme shares	-	-	-	-	-	1,559	11,228	-	-	-	-	12,787	-	12,787
Vested shares	-	-	-	-	-	1,263	-	-	-	-	-	1,263	-	1,263
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	(47,275)	(47,275)	-	(47,275)
Total contributions by and distributions to equity holders	**-**	**-**	**138,675**	**19,613**	**25,283**	**(3,514)**	**11,228**	**-**	**-**	**-**	**(139,537)**	**51,750**	**-**	**51,747**
Balance at 30 September 2023	**17,773**	**234,038**	**345,030**	**98,169**	**183,587**	**(0)**	**(0)**	**3,489**	**22,991**	**306,308**	**532,515**	**1,743,903**	**40,600**	**1,784,500**

Consolidated statement of changes in equity

In millions of Naira

Group

	Attributable to owners of the Bank													
	Share capital	**Share premium**	**Additional Tier 1 Capital**	**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 2022	**17,773**	**234,038**	**206,355**	**6,714**	**136,728**	**3,217**	**(7,513)**	**3,489**	**(9,713)**	**38,191**	**397,273**	**1,026,552**	**23,477**	**1,050,029**
Total comprehensive income for the period:														
Profit for the period	-	-	-	-	-	-	-	-		-	135,803	135,803	2,739	138,542
Other comprehensive income/(loss), net of tax														
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	-	(39,383)	-	(39,383)	(3,267)	(42,650)
Realised foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain on retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	(1,276)	(1,276)	-	(1,276)
Changes in fair value of FVOCI debt financial instruments	-	-	-	-	-	-	-	-	(56,006)	-	-	(56,006)	(4,366)	(60,371)
Changes in allowance on FVOCI debt financial instruments	-	-	-	-	-	-	-	-	396	-	-	396	-	396
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(55,609)	(39,383)	(1,276)	(96,269)	(7,631)	(103,901)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(55,609)**	**(39,383)**	**134,528**	**39,534**	**(4,894)**	**34,641**
Transactions with equity holders, recorded directly in equity:														
Additional Tier 1 (AT1) Capital issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance Cost of additional Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	(14,423)	(14,423)	-	(14,423)
Transfers between reserves	-	-	-	(3,413)	9,435	-	-	-	-	-	(6,022)	-	-	-
Scheme shares (See Note 14)	-	-	-	-	-	1,437	-	-	-	-	-	1,437	-	1,437
Vested shares	-	-	-	-	-	(1,067)	(186)	-	-	-	-	(1,253)	-	(1,253)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	(34,344)	(34,344)	-	(34,344)
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**(3,413)**	**9,435**	**370**	**(186)**	**-**	**-**	**-**	**(54,790)**	**(48,584)**	**-**	**(48,586)**
Balance at 30 September 2022	**17,773**	**234,038**	**206,355**	**3,301**	**146,162**	**3,587**	**(7,699)**	**3,489**	**(65,323)**	**(1,193)**	**477,011**	**1,017,502**	**18,583**	**1,036,084**

Statements of changes in equity
In millions of Naira

Bank	**Share capital**	**Share premium**	**Additional Tier 1 Capital**	**Regulatory risk reserve**	**Other regulatory reserve**	**Share Scheme reserve**	**Capital Reserve**	**Fair value reserve**	**Retained earnings**	**Total Equity**
Balance at 1 January, 2023	17,773	234,038	206,355	76,336	136,767	2,674	3,489	70,053	321,181	**1,068,667**
Total comprehensive income for the period:										
Profit for the period	-	-		-	-	-	-	-	179,553	179,553
Other comprehensive income/(loss), net of tax										
Actuarial loss on retirement benefit obligations (net of tax)	-	-		-	-	-	-	-	144	144
Changes in fair value of FVOCI debt financial instruments	-	-		-	-	-	-	(79,820)	-	(79,820)
Changes in allowance on FVOCI debt financial instruments					-			(1,922)	-	(1,922)
Total other comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(81,743)**	**144**	**(81,599)**
Total comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(81,743)**	**179,697**	**97,955**
Transactions with equity holders, recorded directly in equity:										
Additional Tier 1 (AT1) Capital issued	-	-	138,675	-	-	-	-	-	-	138,675
Finance Cost of additional Tier 1 Capital	-	-	-	-	-	-	-	-	(47,366)	(47,366)
Transfers between reserves	-	-	-	19,570	15,281	-	-	-	(34,851)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	(47,275)	(47,275)
Reclassification of parent shares purchased for staff	-	-	-	-	-	(3,885)	-	-	-	(3,885)
Scheme shares	-	-	-	-	-	1,211	-	-	-	1,211
Vested shares	-	-		-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**138,675**	**19,570**	**15,281**	**(2,674)**	**-**	**-**	**(129,492)**	**41,360**
Balance at 30 September 2023	**17,773**	**234,038**	**345,030**	**95,906**	**152,047**	**0**	**3,489**	**(11,690)**	**371,387**	**1,207,983**

Statement of changes in equity
In millions of Naira

Bank	**Share capital**	**Share premium**	**Additional Tier 1 Capital**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share Scheme reserve**	**Capital Reserve**	**Fair value reserve**	**Retained earnings**	**Total Equity**
Balance at 1 January, 2022	17,773	234,039	206,355	1,118	111,767	2,190	3,489	(10,058)	304,778	**871,450**
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	-	-	92,664	92,664
Other comprehensive income/(loss), net of tax										
Actuarial gain on retirement benefit obligations (net of tax)	-	-	-	-	-	-	-	-	(1,276)	(1,276)
Changes in fair value of FVOCI debt financial instruments	-	-	-	-	-	-	-	(55,753)	-	(55,753)
Changes in allowance on FVOCI debt financial instruments					-			422	-	422
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(55,332)**	**(1,276)**	**(56,607)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(55,332)**	**91,389**	**36,058**
Transactions with equity holders, recorded directly in equity:										
Additional Tier 1 (AT1) Capital issued	-	-	-	-	-	-	-	-	(14,423)	(14,423)
Issuing Cost of additional Tier 1 Capital	-	-	-			-	-	-	-	-
Transfers between reserves	-	-	-	50,320	13,900		-	-	(64,220)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	(24,882)	(24,882)
Scheme shares (See Note 14)	-	-	-	-	-	1,243	-	-	-	1,243
Vested shares	-	-	-	-	-	(563)	-	-	-	(563)
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**50,320**	**13,900**	**680**	**-**	**-**	**(103,524)**	**(38,624)**
Balance at 30 September 2022	**17,773**	**234,039**	**206,355**	**51,438**	**125,667**	**2,870**	**3,489**	**(65,389)**	**292,641**	**868,883**

Consolidated and separate statements of cashflows

In millions of Naira	Note	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Cash flows from operating activities					
Profit before income tax		308,753	148,683	193,383	93,947
Adjustments for:					
Depreciation	28	29,815	22,452	21,894	17,427
Amortisation	29	12,242	10,272	7,498	7,573
Gain on disposal of property and equipment	13	(156)	(74)	(157)	(28)
Gain/(Loss) on lease modification	28	33	334	37	334
Fair value gain on financial assets at FVPL	11	(169,476)	1,204	(169,462)	1,312
Gain on disposal of investment securities and Non pledged trading assets	11	(80,589)	(116,466)	(80,344)	(115,373)
Impairment on financial assets	9	61,825	52,953	56,607	48,504
Additional gratuity provision	14	710	5,008	710	5,008
Restricted share performance plan expense	14	1,559	1,437	1,211	1,243
Write-off of property and equipment	28	406	396	143	140
Write-off of intangible assets	29	135	190	135	-
Share of profit from associate	27	(382)	(118)	-	-
Net interest income	8	(403,097)	(280,288)	(249,942)	(185,945)
Change arising from goodwill reassessment	29	-	(83)	-	-
Foreign exchange gain on revaluation	12	(103,238)	(84,765)	(118,339)	(93,194)
Loss on derecognition of ROU assets	28	-	5,905	-	(5)
Fair value of derivative financial instruments excluding hedged portion	11	167,651	16,992	167,651	16,401
Loss from discontinued operations	46	-	148	-	-
Dividend income	13	(4,338)	(2,950)	(4,588)	(10,941)
Net gain on fair value hedge (Hedging ineffectiveness)	12(b)	(90,649)	(8,796)	(90,649)	(8,796)
		(268,797)	(227,568)	(264,210)	(222,393)
Changes in operating assets					
Changes in non-pledged trading assets		(94,211)	387,161	(72,573)	323,752
Changes in pledged assets		(159,332)	69,592	(159,331)	69,592
Changes in other restricted deposits with central banks		(601,804)	(421,526)	(578,313)	(419,492)
Changes in loans and advances to banks and customers		(1,871,087)	(512,754)	(832,509)	(387,921)
Changes in restricted deposits and other assets		124,003	(432,336)	334,016	(379,055)
Changes in operating liabilities					
Changes in deposits from banks		429,363	50,952	524,597	68,385
Changes in deposits from customers		3,479,480	1,240,897	2,024,297	1,192,189
Changes in other liabilities		340,007	(65,104)	266,229	(112,165)
		1,377,622	89,313	1,242,203	132,893
Interest paid on deposits to banks and customers		(370,764)	(247,222)	(326,001)	(205,702)
Interest received on loans and advances to bank and customers		383,215	326,750	263,946	243,076
Interest received on non-pledged trading assets		95,701	76,767	87,086	61,031
		1,485,774	245,606	1,267,234	231,302
Payment out of retirement benefit obligation	37(i)	-	(7,067)	-	(7,067)
Income tax paid	16	(24,313)	(21,418)	(6,614)	(1,368)
Net cash generated from operating activities		**1,461,461**	**217,122**	**1,260,620**	**222,867**
Cash flows from investing activities					
Net acquisition of investment securities		(3,459,058)	(561,900)	(2,707,381)	(370,291)
Interest received on investment securities		433,842	126,381	386,782	82,706
Transfer from/additional investment in fund manager		(2,084)	3,194	(2,084)	3,194
Dividend received	13	4,338	2,950	4,588	10,941
Acquisition of property and equipment	28	(96,340)	(52,038)	(41,434)	(40,078)
Proceeds from the sale of property and equipment		21,522	11,612	350	1,381
Acquisition of intangible assets	29	(36,096)	(3,902)	(13,598)	(1,646)
Proceeds from disposal of asset held for sale		-	8,384	-	8,384
Proceeds from matured investment securities		2,475,147	433,754	1,846,216	433,754
Additional investment in associate	27 a	-	(886)	-	(886)
Additional investment in subsidiaries		-	-	(117,356)	(31,459)
Net cash used in investing activities		**(658,729)**	**(32,452)**	**(643,918)**	**93,999**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(80,924)	(54,034)	(79,075)	(50,784)
Proceeds from interest bearing borrowings	36	112,427	518,369	7,995	467,874
Proceeds from Additional Tier 1 capital issued	38	138,675	-	138,675	-
Payments on Issuing cost of Additional Tier 1 capital		(47,366)	-	(47,366)	-
Repayment of interest bearing borrowings	36	(607,615)	(425,558)	(572,861)	(400,417)
Proceeds from debt securities issued	35	-	21,887	-	21,887
Lease payments		(7,268)	(10,146)	(833)	(3,107)
Purchase of own shares		528	(715)	528	(715)
Dividends paid to owners		(47,275)	(34,344)	(47,275)	(24,882)
Net cash generated from financing activities		**(538,818)**	**1,035**	**(600,211)**	**(4,563)**
Net increase in cash and cash equivalents		263,914	185,705	16,491	312,303
Cash and cash equivalents at beginning of period	40	1,894,934	1,528,923	1,365,144	1,113,369
Net increase in cash and cash equivalents		263,914	185,705	16,491	312,303
Effect of exchange rate fluctuations on cash held		128,582	(9,408)	127,622	(8,511)
Cash and cash equivalents at end of period	40	2,287,430	1,705,220	1,509,257	1,417,159

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 Unaudited Consolidated and separate interim financial statements for the period ended 30 September 2023 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 National Association of Securities Dealers (NASD).

These interim financial statements were approved and authorised for issue by the Board of Directors on 25 October 2023. 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 interim 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 interim 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 interim 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 interim 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 periods presented, unless otherwise stated.

(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 Access Bank Plc's functional and presentation currency; except where indicated, financial information presented in Naira has been rounded to the nearest millions.

(b) Basis of measurement

These consolidated and separate interim 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 carrying amount 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 periods, if the revision affects both current and future years.

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

3.2 Changes in accounting policy and disclosures

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

Amendments to the following standard(s) became effective in the annual period starting from 1 January, 2023. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

IFRS 17 – Insurance Contracts

The IASB issued IFRS 17 in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard.

The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the Group in anyway as the Bank and its subsidiary companies do not engage in insurance business.

This amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

Amendments to IAS 8 – Definition of Accounting Estimates

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

This amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense).

This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendment does not have any material impact on the Group.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

Standards and interpretations issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on 1 January 2023:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current effective Jan 1, 2024
In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarify:

* What is meant by a right to defer settlement.
* That a right to defer must exist at the end of the reporting period.
* That classification is unaffected by the likelihood that an entity will exercise its deferral right.
* That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

The amendment does not have any material impact on the Group.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback effective Jan 1, 2024
In September 2022, the Board issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full terminaton of a lease.

The amendment is not expected to have any significant impact on the Group at the time it will take effect, as there is non-existent of such transaction as Sale and Leaseback within the Group or with external parties.

Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements effective Jan 1, 2024
In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

The amendment does not have any material impact on the Group.

3.3 Basis of consolidation

(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group exercises 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) Investment Funds

The Group acts as a fund manager for the RSPP funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interest of the Group in the fund. The group has concluded that it acts as an agent for the investment in all cases, and therefore has not consolidated its funds.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) Non controlling interest
The group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

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 pass 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. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are
recognised in OCI:
• equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI;
• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
• qualifying cash flow hedges to the extent that the hedges are effective.

(c) Group Entities

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 services.

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 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 period. 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 period) 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 period.

- 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 financial instruments at fair value

Net loss/gains on financial instruments 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 of debt instruments carried at fair value through other comprehensive income

(d) Net Foreign exchange gain and losses

Net foreign exchange gain and losses include realised and unrealised foreign exchange gains or losses on revaluation of the foreign currency denominated transactions

(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 in the income statement.

3.7 Income tax

The tax expense for the period 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 statement 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 2019, 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 tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.8 Financial assets and liabilities

Investments and other financial assets

Recognition and derecognition

The Group initially recognizes financial instruments (including regular-way purchases and sales of financial assets) on the settlement date, which is the date that the instrument is delivered to or by the Group.

(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 for debt financial assets 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 price, the resulting gain or loss is recognized in trading gains or losses on financial instruments only when the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. level 1 input) or based on a valuation technique that uses only data from observable markets"

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.

If in a subsequent period, 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.

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.

iii ***Equity instruments***

The group initially measures 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 financial instrument at fair value in the statement of profit or loss as applicable.

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 period 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 are recognised in other comprehensive income and the fair value of the liability are recognised in profit or loss.
If recognition of own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, all fair value gains/losses are recognised in profit or loss.

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

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

(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 is mandated to classify certain financial assets upon initial recognition as at fair value through profit or loss (fair value option) when the following conditions are met:

- The asset does not meet the solely principal and interest on the principal amount outstanding (SPPI) test

- The financial asset is held within a business model whose objective is achieved by selling financial assets.

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 designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

[ii] Amortized cost

Amortized cost financial assets are assets that are held for collection of contractual cashflows, where those cashflows represent solely payments of principal and interest.

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 assets that are held for the collection of contractual cashflows and selling of the financial assets where the asset's cashflow represents solely payments of principal and interest.

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 debt 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

(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 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

(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.

Reclassification of financial assets and liabilities

(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 asset; 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.

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 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 period 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 period), 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 in the statement of comprehensive income, to the extent that an impairment loss has not already been recorded. The terms and conditions have been renegotiated substantially if the discounted cash flows under the new terms are at least 10 per cent different from the discounted remaining cash flows of the original terms. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated Credit Impaired (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. This is recognized in the statement of comprehensive income.

(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 period 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.

Sale and repurchase agreements
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 classified as fair value through profit or loss, Fair value through other comprehensive income or Amortized cost. Where the assets pledged as collateral are classified as fair value through profit or loss, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral classified 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 is 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 period, 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 , as described below. All POCI (Purchased or originated credit impaired) financial instruments are categorized under stage 3.

• Stage 1: When a financial instrument is first recognised, the Group recognises an allowance based on 12m Expected credit Loss. Stage 1 also includes financial instruments where the credit risk has improved (after review over a period 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 period 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

Stage 1	Stage 2	Stage 3
(Initial Recognition) 12-months expected credit losses	(Initial Recognition) Lifetime expected credit losses	(Credit-impaired assets) 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 (i.e. be paid in full or no longer credit-impaired) 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.

The Bank continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment and including forward-looking information. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:
• The remaining lifetime PD as at the reporting date, with
• The remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure
The Bank uses three criteria for determining whether there has been a significant increase in credit risk:
• A quantitative test based on movement in PD
• Qualitative indicators; and
• A backstop of 30 days past due for all financial assets (regardless of the change in internal credit grades

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.

For modified financial assets the Group assesses whether there has been a significant increase in credit risk of the financial instrument by comparing the risk of default occurring at the reporting date (based on the modified contractual terms) and the risk of default occurring at initial recognition (based on the original unmodified contractual terms)

Backstop
A backstop indicator is applied and the financial instrument is 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 period 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.

Collateral repossessed
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 periodly 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 period 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 periods 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
Plant and Equipment	5 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 period the asset is derecognised.

3.12 Leases

Group as the Lessee:
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 period ranges from 1 period to 40 periods. 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.

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 period 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 2023 was 15.31%. Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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.

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.

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.

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.

Intangible assets are derecognized on disposal or when no economic benefits are expectedfrom their use or disposal

(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 periods (4.5). Amortisation methods, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate.

(c) Brand, Customer Relationships and Core Deposits

These are 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 Group derives economic benefits from the assets, on a straight-line basis, over a period of 10 periods.

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.

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 period 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 periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 periods 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 period 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 period.

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 period 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 period 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 periods. 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 profit and loss account, with a charge or credit to other comprehensive income (OCI) in the periods 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 period that employees provide services, generally the period 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 non-market vesting 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 period has been expensed within Personnel expenses, with a corresponding increase in the liability account as the scheme is cash-settled.

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) Additional Tier 1 Capital

The Group classifies financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Additional tier 1 securities issued by the Bank are not redeemable by the subscribers and bear an entitlement to coupons at the sole discretion of the board of directors of the Bank. Accordingly, they are presented within equity. Distributions thereon are recognized in Equity. Based on the Group's assessment of the terms of the AT 1 securities, the coupon payments meet the definition of dividend. Therefore, the related tax impacts are recognized in profit or loss in accordance with IAS 12.See note 38c) for more details

(c) Dividend on the Bank's ordinary shares

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

(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 period. 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 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 undistributable profit carried forward recognised income net of expenses plus current period profit attributable to shareholders.

3.21 Levies

The Group recognizes liability to pay levies progressively if the obligating event occurs over a period. 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 presented 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 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. The hedge effectiveness is determined every reporting period.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments are not designated for hedge accounting. Changes in the fair value of any derivative instrument that are not designated 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.

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.

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 retained earnings 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 retained earnings 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 millions of Naira*		**September 2023**	**December 2022**
Bank	Note		
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	22	671	341
- Loans to individuals	23(b)	11,650	8,152
- Loans to corporate	23(b)	84,816	56,910
Total impairment allowances on loans per IFRS		**97,138**	**65,403**
Total regulatory impairment based on prudential guidelines		**193,043**	**141,739**
Balance, beginning of the period		76,336	1,118
Additional transfers to/(from) regulatory risk reserve		19,570	75,218
Balance, end of the period		**95,906**	**76,336**

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 23.77% and a cash flow terminal growth rate of 5.47%. Projected cash flows for Rwanda was discounted using a discount rate of 22.63% and terminal growth rate of 6.21%. Projected cash flows for Former Diamond Bank was discounted using a discount rate of 31.78% and terminal growth rate of 3.19%. Projected cash flows for Access Botswana was discounted using a discount rate of 8.8% and terminal growth rate of 4.16%. The Group determined the appropriate discount rate at the end of the period 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 period. 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 period to period.

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 period 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 Amortization (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 period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

4.1.1 Recurring fair value measurements

In millions of Naira
Group
September 2023

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	188,196	48,753	-	236,949
Government Bonds	18,130	-	-	18,130
Eurobonds	-	1,980	-	1,980
Derivative financial instrument	-	1,629,942	-	1,629,942
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	638,894	-	-	638,894
Government Bonds	74,127	-	-	74,127
-Financial instruments at FVPL				
Treasury bills	142,623	15,481	-	158,103
Government Bonds	5,353	-	-	5,353
Investment securities				
-Financial assets at FVOCI				
Treasury bills	1,455,510	-	-	1,455,510
Government Bonds	254,298	-	-	254,298
State government bonds	-	52,437	-	52,437
Corporate bonds	-	17,388	-	17,388
Eurobonds	-	61,798	-	61,798
Commercial paper		-	-	-
Promissory notes	-	19,004	-	19,004
-Financial assets at FVPL				-
Equity	-	7,056	282,967	290,023
Investment properties			217	217
Assets held for sale	-	-	70,875	70,875
	2,777,131	1,853,839	354,058	4,985,029

Liabilities				
Derivative financial instrument	-	385,704	-	385,705
	-	385,704	-	385,705

* There are no transfers between levels during the period

Group
December 2022

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	88,116	-	-	88,116
Government Bonds	12,280	-	-	12,280
Eurobonds	-	2,294	-	2,294
Derivative financial instrument	-	402,497	-	402,497
Pledged assets				
-Financial instruments at FVPL				
Treasury bills	72,565	-	-	72,565
Government Bonds	2,567	-	-	2,567
Investment securities				
-Financial assets at FVOCI				
Treasury bills	1,046,120	-	-	1,046,120
Government Bonds	168,293	-	-	168,293
State government bonds	-	65,652	-	65,652
Corporate bonds	-	20,599	-	20,599
Eurobonds	-	41,695	-	41,695
Commercial paper		3,869		3,869
Promissory notes	-	217,305	-	217,305
-Financial assets at FVPL				
Equity	-	4,964	162,943	167,907
Investment properties	-	-	217	217
Assets held for sale	-	-	42,039	42,039
	1,841,417	758,875	205,200	2,805,484
Liabilities				
Derivative financial instrument	-	32,737	-	32,738
	-	32,737	-	32,738

Bank
September 2023
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	94,874	48,753	-	143,627
Government Bonds	18,011	-	-	18,011
Eurobonds	-	1,980		1,980
Derivative financial instrument	-	1,613,722	-	1,613,722
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	638,894	-	-	638,894
Government Bonds	74,127	-	-	74,127
-Financial instruments at FVPL				
Treasury bills	142,623	15,481	-	158,103
Government Bonds	5,353	-	-	5,353
Promissory Notes	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	987,663	-	-	987,663
Government Bonds	77,741	58,289	-	136,030
State government bonds	-	52,437	-	52,437
Corporate bonds	-	17,388	-	17,388
Eurobonds	-	35,958	-	35,958
Commercial paper		-	-	-
Promissory notes	-	19,004	-	19,004
Bonds	-	-	-	-
Equity	-	7,056	271,241	278,297
Investment properties			217	217
Asset held for sale	-	-	70,875	70,875
	2,039,286	1,870,068	342,333	4,251,686
Liabilities				
Derivative financial instrument	-	379,807	-	379,807
	-	379,807	-	379,807

* There are no transfers between levels during the period

Bank
December 2022
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	73,012	-	-	73,012
Government Bonds	2,319	-	-	2,319
Eurobonds	-	2,294	-	2,294
Derivative financial instrument	-	399,058	-	399,058
Pledged assets				
Government Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	72,565	-	-	72,565
Government Bonds	2,567	-	-	2,567
Investment securities				
-Financial assets at FVOCI				
Treasury bills	703,695	-	-	703,695
Government Bonds	50,774	-	-	50,774
State government bonds	-	65,652	-	65,652
Corporate bonds	-	20,599	-	20,599
Eurobonds	-	21,182	-	21,182
Commercial paper		3,869		3,869
Promissory notes	-	217,305	-	217,305
-Financial assets at FVPL				
Equity	-	4,964	162,658	167,622
Investment properties	-		217	217
Asset held for sale	-	-	42,038	42,038
	1,356,408	734,925	204,914	2,296,247
Liabilities				
Derivative financial instrument	-	31,072	-	31,072
	-	31,072	-	31,072

4.1.2 There was a transfer between levels 1 and 2 for Government bonds in investment under management. This is due to the risk-free

Financial instruments not measured at fair value
Group
September 2023
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	3,053,175	3,053,175
Investment under management				
Government bonds	-	-	-	-
Placements	-	-	-	-
Commercial paper	-	-	-	-
Treasury bills	-	-	-	-
Mutual funds	-	-	-	-
Eurobonds	-	5,826	-	5,826
Corporate Bonds	-	-	-	-
Loans and advances to banks	-	-	758,787	758,787
Loans and advances to customers	-	-	6,702,325	6,702,325
Pledged assets				
Treasury bills	25,473	-	-	25,473
Bonds	395,671	-	-	395,671
Promissory notes	30,226	-	-	30,226
Investment securities				
-Financial assets at amortised cost				
Treasury bills	190,014	-	-	190,014
Government Bonds	978,923	-		978,923
State government bonds	-	3,653	-	3,653
Corporate bonds	-	7,710	-	7,710
Eurobonds	723,272	-	-	723,272
Preferential Shares Note	-	-	-	-
Promissory notes	95,431	-	-	95,431
Equity	-	-	-	-
Other assets	-	-	2,897,216	2,897,216
	2,439,010	17,188	13,411,502	15,867,700
Liabilities				
Deposits from financial institutions	-	-	3,425,202	3,425,202
Deposits from customers	-	-	12,746,373	12,746,373
Other liabilities	-	-	1,071,475	1,071,475
Debt securities issued	478,083	-	-	478,083
Interest-bearing borrowings	-	-	1,322,842	1,322,842
* There are no transfers between levels during the period	478,083	-	18,565,891	19,043,973

Group
December 2022
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,961,100	1,961,100
Investment under management				
Government bonds	-	-	-	-
Placements	-	-	-	-
Commercial paper	-	-	-	-
Nigerian Treasury bills	-	-	-	-
Mutual funds	-	-	-	-
Eurobonds	-	-	-	-
Corporate Bonds	-	3,742	-	3,742
Loans and advances to banks	-	-	455,710	455,710
Loans and advances to customers	-	-	5,100,807	5,100,807
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	296,061	-	-	296,061
Bonds	411,582	-	-	411,582
Promissory notes	32,639	-	-	32,639
Investment securities				
-Financial assets at amortised cost				
Treasury bills	192,795	-	-	192,795
Government Bonds	437,679	-	-	437,679
State government bonds	-	4,734	-	4,734
Corporate bonds	-	7,579	-	7,579
Eurobonds	420,119	-	-	420,119
Promissory notes	37,762	-	-	37,762
Other assets	-	-	2,451,927	2,451,927
	1,838,390	**16,055**	**9,969,544**	**11,823,987**

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	2,005,316	2,005,316
Deposits from customers	-	-	9,251,238	9,251,238
Other liabilities	-	-	743,153	743,153
Debt securities issued	307,253	-	-	307,253
Interest-bearing borrowings	-	-	1,385,424	1,385,424
	307,253	**-**	**13,385,132**	**13,692,385**

Bank
September 2023
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	2,265,911	2,265,911
Investment under management				
Government bonds	-	-	-	-
Placements	-	-	-	-
Commercial paper	-	-	-	-
Nigerian Treasury bills	-	-	-	-
Mutual funds	-	-	-	-
Eurobonds	-	5,826	-	5,826
Corporate Bonds	-	-	-	-
Loans and advances to banks	-	-	522,208	522,208
Loans and advances to customers	-	-	4,704,904	4,704,904
Pledged assets				
-Financial instruments at amortized cost				
Bonds	25,473	-	-	25,473
Treasury bills	395,671	-	-	395,671
Promissory notes	30,226	-	-	30,226
Investment securities				
Financial assets at amortised cost				
Treasury bills	40,431	-	-	40,431
Government Bonds	421,197	-	-	421,197
State government bonds	-	3,653	-	3,653
Corporate bonds	-	7,710	-	7,710
Eurobonds	711,626	-	-	711,626
Preferential Shares Note	-	5,672	-	5,672
Promissory notes	95,431	-	-	95,431
Other Assets	-	-	2,613,442	2,613,442
	1,720,055	22,860	10,106,466	11,849,381

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	3,139,300	3,139,300
Deposits from customers	-	-	9,548,594	9,548,594
Other liabilities	-	-	917,078	917,078
Debt securities issued	472,406		-	472,406
Interest-bearing borrowings	-	-	1,147,155	1,147,155
	472,406	-	14,752,129	15,224,535

Bank
December 2022
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,445,659	1,445,659
Investment under management				
Government bonds	-	-	-	-
Placements	-	-	-	-
Commercial paper	-	-	-	-
Nigerian Treasury bills	-	-	-	-
Mutual funds	-	-	-	-
Eurobonds	-	3,742	-	3,742
Corporate Bonds	-	-	-	-
Loans and advances to banks	-	-	322,610	322,610
Loans and advances to customers	-	-	4,084,352	4,084,352
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	296,061	-	-	296,061
Bonds	411,582	-	-	411,582
Promissory notes	32,639	-	-	32,639
Investment securities				
Financial assets at amortised cost				
Treasury bills	102,399	-	-	102,399
Government Bonds	171,648	-	-	171,648
State government bonds	-	4,734	-	4,734
Corporate bonds	-	7,579	-	7,579
Eurobonds	411,046	-	-	411,046
Promissory notes	37,763	-	-	37,763
Other Assets	-	-	2,321,538	2,321,538
	1,463,139	16,055	8,174,159	9,653,352
Liabilities				
Deposits from financial institutions	-	-	1,637,318	1,637,318
Deposits from customers	-	-	7,530,062	7,530,062
Other liabilities	-	-	660,463	660,463
Debt securities issued	303,297		-	303,297
Interest-bearing borrowings	-	-	1,286,869	1,286,869
	303,297	-	11,114,714	11,418,011

*** 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 of 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 September 2023	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	1,613,722	Forward and swap: Fair value through market rate from a quoted market Futures: Fair value through reference market rate	Market rates from quoted market	1,240,473	1,244,082	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	379,807					
Investment in CSCS	6,750	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting year	Share price from NASD	6,413	7,088	The higher the share price, the higher the fair value
Nigerian Mortgage Refinance Company	306	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting year	Share price from NASD	290	321	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 September 2023	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	231,745	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	243,333	220,158	230,641	232,850	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	9,435	Adjusted fair value comparison approach	Median PE ratios of comparable companies	9,030	8,170	9,310	9,559	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in NIBSS	18,019	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	18,920	17,118	17,781	18,257	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in Afrexim	793	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	833	753	789	797	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in FMDQ	5,248	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	5,510	4,985	5,148	5,347	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	329	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	346	313	325	334	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Capital Alliance Equity Fund	5,296	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	5,560	5,031	5,560	5,031	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
NG Clearing	326	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	342	310	324	328	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
SANEF	50	Adjusted fair value comparison approach	Fair value of transactions at settlement date	53	48	53	48	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 2023

Financial assets at fair value through profit or loss (Equity)	**Group September 2023**	**Group December 2022**	**Bank September 2023**	**Bank December 2022**
Opening balance	156,167	152,105	155,879	151,822
Acquired from business combination	-	-	-	-
Total unrealised gains in P/L	126,801	4,061	115,359	4,057
Sales	-	-	-	-
Balance, period end	**282,967**	**156,167**	**271,238**	**155,879**

Assets Held for Sale	**Group September 2023**	**Group December 2022**	**Bank September 2023**	**Bank December 2022**
Opening balance	42,231	42,737	42,039	42,547
Additions	28,835	7,878	28,835	7,876
Disposals	-	(8,384)	-	(8,384)
Write Off	-	-	-	-
Balance, period end	**71,067**	**42,231**	**70,875**	**42,039**

Investment under management	**Group September 2023**	**Group December 2022**	**Bank September 2023**	**Bank December 2022**
Opening balance	-	13,045	-	13,045
Additions	-	-	-	-
Reclassification	-	(13,045)	-	(13,045)
Balance, period end	**-**	**-**	**-**	**-**

(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.

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 millions of Naira

September 2023	Fixed	Floating	Non-interest bearing	Total
ASSETS				
Cash and balances with banks	184,529	-	2,870,838	3,055,367
Non pledged trading assets	208,306	-	-	208,306
Derivative financial instruments	-	-	1,629,942	1,629,942
Loans and advances to banks	758,787	-	-	758,787
Loans and advances to customers	70,702	6,631,622	-	6,702,325
Pledged assets		-	-	-
Treasury bills	822,471	-	-	822,471
Bonds	475,151	-	-	475,151
Promissory notes	30,226	-	-	30,226
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	1,455,510	-	-	1,455,510
Bonds	385,921	-	-	385,921
Promissory notes	19,004	-	-	19,004
-Financial assets at amortised cost				
Treasury bills	190,014	-	-	190,014
Bonds	1,582,485	-	-	1,582,485
Promissory notes	95,431	-	-	95,431
TOTAL	**6,278,539**	**6,631,622**	**4,500,780**	**17,410,942**
LIABILITIES				
Deposits from financial institutions	3,425,202	-	-	3,425,202
Deposits from customers	5,076,709	7,669,665	-	12,746,374
Derivative financial instruments	-	-	385,704	385,704
Debt securities issued	478,083	-	-	478,083
Interest-bearing borrowings	814,242	508,600	-	1,322,842
TOTAL	**9,794,235**	**8,178,265**	**385,704**	**18,358,204**

December 2022	Fixed	Floating	Non-interest bearing	Total
ASSETS				
Cash and balances with banks	152,680	-	1,809,141	1,961,821
Non pledged trading assets	102,690	-	-	102,690
Derivative financial instruments	-	-	402,497	402,497
Loans and advances to banks	455,710	-	-	455,710
Loans and advances to customers	28,778	5,072,029	-	5,100,807
Pledged assets		-	-	-
Treasury bills	820,102	-	-	820,102
Bonds	414,150	-	-	414,150
Promissory notes	32,639	-	-	32,639
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	1,046,120	-	-	1,046,120
Bonds	300,109	-	-	300,109
Promissory notes	217,305	-	-	217,305
-Financial assets at amortised cost				
Treasury bills	192,795	-	-	192,795
Bonds	799,072	-	-	799,072
Promissory notes	37,762	-	-	37,762
TOTAL	**4,599,914**	**5,072,029**	**2,211,638**	**11,883,581**
LIABILITIES				
Deposits from financial institutions	2,005,316	-	-	2,005,316
Deposits from customers	3,462,402	5,788,837	-	9,251,239
Derivative financial instruments	-	-	32,737	32,737
Debt securities issued	307,253	-	-	307,253
Interest-bearing borrowings	716,184	669,241	-	1,385,424
TOTAL	**6,491,155**	**6,458,078**	**32,737**	**12,981,969**

Bank September 2023	Fixed	Floating	Non-interest bearing	Total
ASSETS				
Cash and balances with banks	34,884	-	2,231,027	2,265,911
Non pledged trading assets	163,617	-	-	163,617
Derivative financial instruments	-	-	1,613,722	1,613,722
Loans and advances to banks	522,208	-	-	522,208
Loans and advances to customers	45,587	4,659,317	-	4,704,904
Pledged assets		-	-	-
Treasury bills	822,471	-	-	822,471
Bonds	475,151	-	-	475,151
Promissory notes	30,226	-	-	30,226
Investment securities:				-
-Financial assets at FVOCI	-	-	-	-
Treasury bills	987,663	-	-	987,663
Bonds	241,813	-	-	241,813
Promissory notes	19,004	-	-	19,004
-Financial assets at amortised cost				-
Treasury bills	40,431	-	-	40,431
Bonds	1,079,194	-	-	1,079,194
Promissory notes	95,431	-	-	95,431
TOTAL	**4,557,680**	**4,659,317**	**3,844,749**	**13,061,746**
LIABILITIES				
Deposits from financial institutions	3,139,300	-	-	2,005,316
Deposits from customers	3,438,080	6,110,514	-	9,251,239
Derivative financial instruments	-	-	379,807	32,737
Debt securities issued	472,406	-	-	307,253
Interest-bearing borrowings	753,937	(173,164)	-	1,385,424
TOTAL	7,803,723	5,937,350	379,807	12,981,969

December 2022	Fixed	Floating	Non-interest bearing	Total
ASSETS				
Cash and balances with banks	24,669	-	1,421,554	1,446,223
Non pledged trading assets	77,624	-	-	77,624
Derivative financial instruments	-	-	399,058	399,058
Loans and advances to banks	322,610	-	-	322,610
Loans and advances to customers	14,063	4,070,289	-	4,084,352
Pledged assets				-
Treasury bills	820,102	-	-	820,102
Bonds	414,150	-	-	414,150
Promissory notes	32,639	-	-	32,639
Investment securities:				-
-Financial assets at FVOCI	-	-	-	-
Treasury bills	703,695	-	-	703,695
Bonds	379,382	-	-	379,382
Promissory notes	217,305	-	-	217,305
-Financial assets at amortised cost				-
Treasury bills	102,399	-	-	102,399
Bonds	593,462	-	-	593,462
Promissory notes	37,763	-	-	37,763
TOTAL	**3,739,865**	**4,070,289**	**1,820,611**	**9,630,763**
LIABILITIES				
Deposits from financial institutions	1,637,318	-	-	1,637,318
Deposits from customers	2,586,980	4,943,082	-	7,530,061
Derivative financial instruments	-	-	31,072	31,072
Debt securities issued	303,297	-	-	303,297
Interest-bearing borrowings	665,194	621,675	-	1,286,869
TOTAL	5,192,789	5,564,757	31,072	10,788,618

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.

Capital adequacy ratio computation under Basel II guidelines

This represents the capital adequacy ratio under basel II guidelines

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Tier 1 capital without adjustment				
Ordinary share capital	17,773	17,773	17,773	17,773
Additional Tier 1 Capital	345,030	206,355	345,030	206,355
Share premium	234,038	234,038	234,038	234,038
Retained earnings	532,515	409,653	371,387	321,181
Other reserves	614,544	344,677	239,753	289,319
Non-controlling interests	40,600	14,395	-	-
	1,784,499	**1,226,891**	**1,207,980**	**1,068,665**
Add/(Less):				
Fair value reserve for fair value through other comprehensive income instruments	(22,991)	(78,959)	11,690	(70,053)
Foreign currency translation reserves	(306,308)	(33,083)	-	-
Other reserves	-	(3,514)	-	(2,674)
Total Tier 1	**1,455,200**	**1,111,335**	**1,219,670**	**995,938**
Add/(Less):				
Deferred tax assets	(31,106)	(15,023)	(1,237)	(7,707)
Regulatory risk reserve	(98,169)	(78,556)	(95,906)	(76,336)
Intangible assets	(105,855)	(73,782)	(65,330)	(59,365)
Treasury shares	-	11,228	-	-
Adjusted Tier 1	**1,220,070**	**955,202**	**1,057,197**	**852,530**
50% Investments in Banking subsidiaries	-	-	(195,162)	(136,484)
Receivable from Parent Company	-	-	(64,227)	-
Eligible Tier 1	**1,220,070**	**955,202**	**797,808**	**716,046**
Tier 2 capital				
Debt securities issued	355,060	252,834	355,060	252,834
Fair value reserve for fair value through other comprehensive income instruments	22,991	78,959	(11,690)	70,053
Foreign currency translation reserves	306,308	33,083	-	-
Other reserves	-	3,514	-	2,674
Total Tier 2	**684,360**	**368,389**	**343,371**	**325,561**
Adjusted Tier 2 capital (33% of Tier 1)	**406,690**	**318,369**	**343,371**	**284,148**
50% Investments in subsidiaries	-	-	(195,162)	(136,484)
Eligible Tier 2	**406,690**	**318,369**	**148,209**	**147,664**
Total regulatory capital	**1,626,761**	**1,273,571**	**946,017**	**863,711**
Risk-weighted assets	**6,945,031**	**6,291,629**	**5,142,778**	**4,839,820**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	23.42%	20.24%	18.40%	17.85%
Total tier 1 capital expressed as a percentage of risk-weighted assets	17.57%	15.18%	15.51%	14.79%

Capital adequacy ratio computation under Basel III guidelines

According to the recent CBN circular on Basel III implementation guidelines for Banks in Nigeria, the recommendations contained therein will be implemented in a parallel run beginning November 2021 for a six-month period, which could be extended by another three months if supervisory expectations are achieved. According to the CBN, the Basel III Guidelines will run concurrently with the existing Basel II Guidelines during the parallel run, and the Basel Ill Guidelines will become completely effective after the parallel run is over.

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 periods 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. This division has now been categorized into 'Retail Banking North' and 'Retail Banking South'. 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.

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 September 2023**	**Group December 2022**
In millions of Naira		
Other Assets	2,986,329	2,487,691
Deferred tax asset	31,106	15,023
Non Current Assets Held for Sale	70,875	42,039
Goodwill	12,747	12,747
	3,101,056	**2,557,501**
Other liabilities	1,088,203	753,875
Deferred tax liability	7,035	1,796
Retirement Benefit Obligation	3,819	3,277
Total liabilities	**1,099,056**	**758,948**

7a Operating segments (continued)
Group
September 2023

In millions of Naira	Corporate & Investment Banking	Commercial Banking	Retail Banking South	Retail Banking North	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	641,429	416,008	355,032	171,200	-	1,583,670	1,583,670
Total Revenue	641,429	416,008	355,032	171,200	-	1,583,670	1,583,670
Interest Income	444,757	247,669	220,467	135,570	-	1,048,463	1,048,463
Interest expense	(300,881)	(163,023)	(112,576)	(68,887)	-	(645,366)	(645,366)
Impairment Losses	(28,070)	(26,364)	(7,330)	(62)	-	(61,825)	(61,825)
Profit/(Loss) on ordinary activities before	140,144	95,449	45,014	28,146	-	308,753	308,753
Income tax expense	(15,800)	(9,112)	(9,773)	(8,712)	-	(43,397)	(43,397)
Profit after tax	124,344	86,336	35,241	19,433		265,356	265,356
Assets and liabilities:							
Loans and Advances to banks and customers	2,615,354	4,032,371	501,853	311,534	-	7,461,112	7,461,112
Goodwill	-	-	-	-	12,747	12,747	12,747
Tangible segment assets	6,858,925	3,776,948	5,345,527	2,174,666	-	18,156,067	18,156,067
Unallocated segment assets	-	-	-	-	3,101,056	3,101,056	3,101,056
Total assets	6,858,925	3,776,948	5,345,527	2,174,666	3,101,056	21,257,122	21,257,122
Deposits from customers	4,628,278	3,009,981	3,588,005	1,520,109	-	12,746,373	12,746,373
Segment liabilities	6,674,472	3,764,158	5,973,108	1,961,826	-	18,373,565	18,373,565
Unallocated segment liabilities	-	-	-	-	1,099,056	1,099,056	1,099,056
Total liabilities	6,674,472	3,764,158	5,973,108	1,961,826	1,099,056	19,472,620	19,472,620
Net assets	184,453	12,790	(627,581)	212,840	2,002,000	1,784,502	1,784,504

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.

September 2022
Operating segments (continued)

In millions of Naira	**Corporate & Investment Banking**	**Commercial Banking**	**Business Banking**	**Retail Banking**	**Unallocated Segments**	**Total continuing operations**	**Total**
Revenue:							
Derived from external customers	360,388	250,962	224,875	69,507	-	905,731	905,731
Total Revenue	360,388	250,962	224,875	69,507	-	905,731	905,731
Interest Income	226,101	185,723	127,018	32,895	-	571,738	571,738
Interest expense	(127,693)	(100,809)	(50,414)	(12,533)	-	(291,449)	(291,449)
Impairment Losses	(21,888)	(21,451)	(6,713)	(2,901)	-	(52,953)	(52,953)
taxation	96,413	30,486	17,049	4,736	-	148,684	148,684
Income tax expense	(6,927)	(1,844)	(1,112)	(405)	-	(10,289)	(10,289)
Profit after tax	89,486	28,643	15,937	4,332	-	138,395	138,395
December 2022							
Assets and liabilities:							
Loans and Advances to banks and customers	2,182,734	2,306,017	404,088	58,298	-	4,951,137	4,951,137
Goodwill	-	-	-	-	12,747	12,747	12,747
Tangible segment assets	4,244,284	2,058,975	3,736,491	1,074,283	-	11,114,033	11,114,033
Unallocated segment assets	-	-	-	-	2,266,533	2,266,533	2,266,533
Total assets	4,244,284	2,058,975	3,736,491	1,074,283	2,266,533	13,380,565	13,380,565
Deposits from customers	3,097,339	1,607,133	2,730,037	754,753	-	8,189,263	8,189,263
Segment liabilities	4,521,449	2,193,432	3,980,496	1,144,436	-	11,839,813	11,839,813
Unallocated segment liabilities	-	-	-	-	504,668	504,668	504,668
Total liabilities	4,521,449	2,193,432	3,980,496	1,144,436	504,668	12,344,480	12,344,480
Net assets	(277,165)	(134,457)	(244,004)	(70,154)	1,761,865	1,036,085	1,036,087

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

September 2023

In millions of Naira	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Profit from associate**	**Intercompany elimination**	**Total**
Derived from external customers	1,255,366	213,799	130,994	1,600,159	-	(16,871)	1,583,288
					382		382
Total revenue	1,255,366	213,799	130,994	1,600,159	382	(16,871)	1,583,670
Interest income	811,269	151,278	114,590	1,077,136	-	(28,673)	1,048,463
Impairment losses	(56,607)	(714)	(4,624)	(61,944)	-	120	(61,825)
Interest expense	(561,327)	(70,899)	(41,812)	(674,039)	-	28,673	(645,366)
Net fee and commission income	89,225	36,729	13,887	139,841	-	-	139,841
Operating income	694,040	142,900	89,182	926,120	382	(249)	938,305
Profit before income tax	193,383	53,055	62,063	308,501	382	(130)	308,754
Assets and liabilities:							
Loans and advances to customers and banks	5,227,112	947,479	2,173,551	8,348,143	-	(887,032)	7,461,110
Total assets	16,834,888	3,008,631	2,900,137	22,743,657	-	(1,486,532)	21,257,122
Deposit from customers	9,548,594	2,161,653	1,056,060	12,766,306	-	(19,934)	12,746,372
Total liabilities	15,626,908	2,550,529	2,379,740	20,557,176	-	(1,084,556)	19,472,621
Net assets	1,207,981	458,102	520,397	2,186,480	-	(401,977)	1,784,503

September 2022	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Profit from associate	Intercompany elimination	Total
Derived from external customers	722,433	141,810	46,428	910,671		(4,940)	905,731
Total revenue	722,433	141,810	46,428	910,671	-	(4,940)	905,731
						-	-
Interest income	433,911	107,192	35,571	576,673	-	(4,940)	571,734
Impairment losses	(48,504)	(298)	(4,151)	(52,953)	-	-	(52,953)
Interest expense	(247,967)	(40,338)	(8,001)	(296,306)	-	4,940	(291,366)
Net fee and commission income	65,131	20,273	9,522	94,926	-	-	94,926
Operating income	474,467	101,473	38,426	614,365	-	-	614,365
Profit before income tax	93,947	32,730	22,006	148,683			148,683
Assets and liabilities:							
Loans and advances to customers and banks	3,967,302	472,875	883,403	5,323,579	-	(372,443)	4,951,137
Goodwill	-	-	-	681,007		-	-
Total assets	11,215,066	1,520,118	1,481,676	14,216,860	-	(836,290)	13,380,567
Deposit from customers	6,704,339	1,000,811	484,112	8,189,262	-	-	8,189,262
Total liabilities	10,346,183	1,289,958	1,284,222	12,920,363	-	(575,881)	12,344,482
Net assets	868,883	230,159	197,454	1,296,497	-	(260,412)	1,036,085

The Group's segment reporting is based on IFRS which is same as that of the financial statement reporting hence no reconciliation is required.

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 September 2023 and for the period ended 31 December 2022.

8 Interest income

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Interest income				
Cash and balances with banks	20,737	8,029	12,551	3,867
Loans and advances to banks	42,537	12,381	12,292	2,928
Loans and advances to customers	453,350	352,007	313,604	281,853
Modification gain/(loss) on loans	-	(1,298)	-	(1,298)
Investment securities				
-Financial assets at FVOCI	224,862	62,498	204,335	34,705
-Financial assets at amortised cost	211,889	63,612	180,217	50,219
	953,374	497,230	722,999	372,274
-Financial assets at FVPL	95,089	74,508	88,270	61,638
	1,048,463	**571,738**	**811,269**	**433,912**
Interest expense				
Deposit from financial institutions	232,447	63,500	224,818	58,594
Deposit from customers	338,166	175,833	266,473	141,034
Debt securities issued	20,845	17,003	20,576	16,705
Lease liabilities	836	780	470	608
Interest bearing borrowings and other borrowed funds	53,071	34,333	48,989	31,025
	645,366	**291,449**	**561,327**	**247,967**
Net interest income	**403,097**	**280,288**	**249,942**	**185,945**

9 Net impairment charge on financial assets

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
(Allowance)/Write Back for impairment on money market placement (note 18)	(989)	77	(937)	57
Write Back/(Allowance) for impairment on loans and advance to banks (note 22)	(304)	287	(330)	103
Allowance for impairment on loans and advance to customers (note 23)	(50,027)	(44,157)	(45,142)	(39,461)
Allowance for impairment on pledged assets (note 24)	1,666	-	1,666	-
Allowance for impairment on investment securities (note 25a)	(5,559)	567	(5,257)	(134)
Allowance on impairment on financial assets in other assets (note 26)	(11,723)	(3,838)	(11,693)	(3,827)
(Allowance)/write back for impairment on off balance sheet items (note 34c)	5,110	(5,889)	5,087	(5,242)
	(61,825)	(52,953)	(56,607)	(48,504)

10 (a) Fee and commission income

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Credit related fees and commissions	83,634	41,724	56,769	25,414
Account maintenance charge and handling commission	21,848	18,705	19,996	17,330
Commission on bills and letters of credit	6,867	4,914	5,825	4,292
Commissions on collections	3,435	2,323	283	268
Commission on other financial services	10,093	12,973	1,745	9,084
Commission on foreign currency denominated transactions	3,063	2,468	155	319
Channels and other E-business income	69,428	49,399	56,500	41,509
Retail account charges	1,093	731	545	454
	199,463	**133,237**	**141,818**	**98,669**

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 time is as shown below.

	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Point in Time	161,611	120,532	114,074	93,729
Over Time	37,852	12,704	27,744	4,940
	199,463	**133,237**	**141,818**	**98,669**

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

10 (b) Fee and commission expense

In millions of Naira	September 2023	September 2022	September 2023	September 2022
Bank and electronic transfer charges	9,064	5,868	5,238	3,228
E-banking expense	50,557	32,443	47,354	30,310
	59,622	**38,311**	**52,593**	**33,538**

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 gains on financial instruments at fair value

a Net gains or (losses) on financial instruments at fair value through profit or loss

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Trading (loss)/gains on Fixed income securities	(46,784)	(42,902)	(46,551)	(43,398)
Fair value gain/ (loss) on Fixed income securities	58,801	1,758	58,788	1,650
Fair value gain/(loss) on non-hedging derivatives	(167,651)	(36,827)	(167,651)	(36,827)
Fair value gains on equity investments	110,675	(2,962)	110,675	(2,962)
Total Net gains on financial instruments at fair value through profit or loss	**(44,959)**	**(80,933)**	**(44,739)**	**(81,537)**

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

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Debt instruments at FVOCI				
Fixed income securities	127,373	159,368	126,896	158,771
	127,373	**159,368**	**126,896**	**158,771**
Total	**82,414**	**78,435**	**82,156**	**77,234**

Net gains 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

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Net realized and Unrealized Foreign exchange Gain/(loss) on items not hedged	144,858	96,895	118,339	83,188
Total Net Foreign Exchange gain	**144,858**	**96,895**	**118,339**	**83,188**

12 (b) Net (loss)/gain on fair value hedge (Hedging ineffectiveness)

Net (loss)/gain on fair value hedge (Hedging ineffectiveness)	90,649	8,796	90,649	8,796
	90,649	**8,796**	**90,649**	**8,796**

Sep-23	**Average strike price**	**Nominal amount of hedging instrument**	**Carrying amount of hedging instrument (Assets)**	**Changes in fair value used for calculating hedge ineffectiveness**
Fair value hedges	**₦**	**₦'millions**	**₦'millions**	**₦'millions**
Hedging instrument	459.65	1,541,441	1,153,707	1,030,458

*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**	
Sep-23	**₦'millions**	**₦'millions**	**₦'millions**	**₦'millions**	
Fair value hedges					
Foreign exchange risk on foreign currency loan - Interest bearing loan	-	1,041,048	-	133,481	Interest bearing borrowings
Foreign exchange risk on foreign currency loan - Deposit from financial institution	-	2,054,951	-	806,328	Deposit from financial institution

Sep-23	**Hedge ratio**	**Change in the value of the hedging instrument recognised in profit or loss**	**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		**₦'millions**	**₦'millions**		
Fair value changes in hedging instrument (forward element)	90%	1,030,458	90,649		

The following table shows the period in which the hedging contract ends:

Sep-23	3 months	6 months	12 months	5 periods	More than 5 periods
Fair value hedging	**₦'millions**	**₦'millions**	**₦'millions**	**₦'millions**	**₦'millions**
Hedging assets	-	456,471	697,236	-	-

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 (a) Other operating income

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Dividends on equity securities	4,338	2,950	4,588	10,941
Gain on disposal of property and equipment	156	74	157	28
Rental income	16	11	-	-
Bad debt recovered	6,937	6,849	4,243	6,421
Cash management charges	340	489	337	489
Income from agency and brokerage	928	2,008	747	512
Income from asset management	-	1,427	-	1,427
Income from other investments	4,662	2,009	1,000	686
Gain on modification on leases	64	564	64	-
	17,442	**16,514**	**11,136**	**20,635**

Included in income from agency and brokerage is an amount of N384.49Mn (Sept 2022: N198Mn) representing the referral commission earned from bancassurance products.

Other operating income	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Point in Time	17,426	16,484	11,136	7,121
Over time	16	1	-	-
	17,442	**16,484**	**11,136**	**7,121**

14 Personnel expenses

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Wages and salaries	106,920	76,623	56,591	46,404
Increase in defined benefit obligation (see note 37 (a) (i))	710	8,270	710	8,270
Contributions to defined contribution plans	3,557	2,309	1,413	887
Restricted share performance plan	1,559	1,437	1,211	1,243
	112,747	**88,639**	**59,926**	**56,804**

15 Other operating expenses

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Premises and equipment costs	23,803	17,051	20,006	14,224
Professional fees	16,888	11,291	10,621	7,462
Insurance	2,445	1,432	1,117	541
Business travel expenses	12,547	9,158	10,074	7,814
Asset Management Corporation of Nigeria (AMCON) surcharge	68,805	52,734	68,805	52,734
Bank charges	11,491	7,536	9,870	5,796
Deposit insurance premium	24,734	15,909	24,275	15,600
Auditor's remuneration	1,488	975	434	323
Administrative expenses	41,565	30,855	34,768	24,584
Board expenses	2,286	1,280	1,313	874
Communication expenses	11,418	7,855	7,559	4,586
IT and e-business expenses	52,319	34,479	40,337	27,222
Outsourcing costs	22,383	18,527	20,979	17,328
Advertisements and marketing expenses	11,335	7,968	9,211	6,989
Recruitment and training	7,961	5,709	7,295	5,329
Events, charities and sponsorship	10,340	7,482	9,512	7,118
Periodicals and Subscriptions	2,635	1,392	1,661	871
Security expenses	9,126	6,090	7,916	5,334
Cash processing and management cost	7,384	4,547	7,146	4,482
Stationeries, postage and printing	5,798	3,425	4,819	2,773
Office provisions and entertainment	1,536	929	1,224	716
Rent expenses	5,016	5,894	3,197	3,524
	353,301	**252,971**	**302,138**	**216,673**

17 Earnings per share

(a) Basic earnings per share

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 millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Total profit/(loss) attributable to owners of the bank:				
Continuing operations	262,255	135,655	179,553	92,663
Profit for the period	262,255	135,655	179,553	92,663
Weighted average number of ordinary shares in issue	35,545	35,545	35,545	35,545
Weighted average number of treasury shares in issue	-	(934)	-	-
	35,545	34,611	35,545	35,545
In kobo per share				
Basic earnings per share from continuing operations	738	392	505	261

(b) Diluted earnings per share

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

In millions of Naira	Group September 2023	Group September 2022	Bank September 2023	Bank September 2022
Total profit/(loss) attributable to owners of the bank:				
Continuing operations	262,255	135,655	179,553	92,663
Discontinued operations	-		-	-
Profit for the period	262,255	135,655	179,553	92,663
Weighted average number of Total shares in issue	35,545	34,611	35,545	35,545
Weighted average number of treasury shares in issue	-	(934)	-	-
Weighted average number of convertible additional tier bond (AT1)*	3	-	3	-
Weighted average number of ordinary shares in issue	35,548	35,545	35,548	35,545
In kobo per share				
Diluted earnings per share from continuing operations	738	382	505	261

*The number of shares that would be issued in the event of conversion of the $300 million convertible additonal tier 1 bond has a dilutive effect on the ordinary shares of the Bank

18 Cash and balances with banks

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Cash on hand and balances with banks (see note (i))	1,429,210	1,085,930	1,037,193	795,729
Unrestricted balances with central banks	320,532	186,534	74,238	89,148
Money market placements	184,529	152,680	34,884	24,669
Other deposits with central banks (see note (ii)	1,121,096	536,677	1,121,096	536,677
	3,055,367	**1,961,821**	**2,267,412**	**1,446,223**
ECL on Placements	(2,192)	(721)	(1,501)	(563)
	3,053,175	**1,961,100**	**2,265,911**	**1,445,659**

(i) Included in cash on hand and balances with banks is an amount of N87.28Bn (31 Dec 2022: N69.41Bn) 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 N1,121Bn 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 September 2023	Group December 2022	Bank September 2023	Bank December 2022
Opening balance at beginning of the period	721	186	563	61
-(Write Back)/Charge for the period	989	600	937	502
Foreign translation reserve	483	(64)	-	-
Closing balance	**2,192**	**721**	**1,501**	**563**

19 Investment under management

Amortized cost *In millions of Naira*	**Group** **September 2023**	**Group** **December 2022**	**Bank** **September 2023**	**Bank** **December 2022**
Eurobonds	5,826	3,742	5,826	3,742
	5,826	**3,742**	**5,826**	**3,742**

20 Non pledged trading assets

In millions of Naira	**Group** **September 2023**	**Group** **December 2022**	**Bank** **September 2023**	**Bank** **December 2022**
Government bonds	18,130	12,280	18,011	2,319
Eurobonds	1,980	2,294	1,980	2,294
Treasury bills	188,196	88,116	143,626	73,011
	208,306	**102,690**	**163,617**	**77,624**

21 Derivative financial instruments

In millions of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2023		December 2022	
Group				
Foreign exchange derivatives				
Total derivative assets	**3,250,231**	**1,629,942**	**1,738,833**	**402,497**
Non-deliverable future contracts	-	40,757	-	1,730
Forward and swap contracts	3,250,231	1,589,186	1,738,833	400,767
			-	-
Total derivative liabilities	**958,366**	**(385,704)**	**430,014**	**(32,737)**
Non-deliverable future contracts	-	(40,755)	-	(1,728)
Forward and swap contracts	958,366	(344,950)	430,014	(31,009)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2023		December 2022	
Bank				
Foreign exchange derivatives				
Total derivative assets	**3,216,366**	**1,613,722**	**1,704,968**	**399,058**
Non-deliverable future contracts	-	40,757	-	1,730
Forward and swap contracts	3,216,366	1,572,966	1,704,968	397,328
Total derivative liabilities	**903,397**	**(379,807)**	**375,046**	**(31,072)**
Non-deliverable future contracts	-	(40,756)	-	(1,729)
Forward and swap contracts	903,397	(339,051)	375,046	(29,342)

	September 2023 Fair Value		December 2022 Fair Value	
Derivative Assets	**Group**	**Bank**	**Group**	**Bank**
Current (Hedging Instruments)	1,153,707	1,153,707	288,188	288,188
Non- Current (Hedging Instruments)	-	-	-	-
Current (Non-Hedging Instruments)	476,236	460,015	114,309	110,870
Non- Current (Non-Hedging Instruments)	-	-	-	-
Derivative Liabilities				
Current (Non-Hedging Instruments)	-	-	-	-
Non- Current (Hedging Instruments)	-	-	-	-
Current (Non-Hedging Instruments)	(385,704)	(379,807)	(32,737)	(31,072)
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 less than 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 millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Loans and advances to banks	759,582	456,088	522,879	322,951
Less allowance for impairment losses	(795)	(378)	(671)	(341)
	758,788	**455,710**	**522,208**	**322,610**

Group

Impairment allowance for loans and advances to banks

In millions of Naira	September 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	639	-	-	639
Standard grade	125	-	-	125
Non Investment	-	-	31	31
Total	**763**	**-**	**31**	**795**

	September 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2023	351	-	28	378
-Charge for the period:				
Transfers to Stage 1	962	-	(962)	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	(662)	-	966	304
Foreign exchange revaluation	113	-	-	113
At 30 September 2023	**763**	**-**	**31**	**795**

Impairment allowance for loans and advances to banks

In millions of Naira	December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	345	-	-	345
Standard grade	6	-	-	6
Non Investment	-	-	28	28
Total	**351**	**-**	**28**	**378**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2022	493	9	117	620
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	(143)	(9)	(90)	(241)
At 31 December 2022	**351**	**-**	**28**	**378**

Bank

Loans to banks

In millions of Naira	September 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
Internal rating grade:				
Investment	639	-	-	639
Standard grade	1	-	-	1
Non Investment	-	-	31	31
Total	**640**	**-**	**31**	**671**

	September 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2023	314	-	28	341
-Charge for the period:				-
Transfers to Stage 1	176		(176)	-
Total net P&L charge during the period	151	-	179	330
At 30 September 2023	**640**	**-**	**31**	**671**

Impairment allowance for loans and advances to banks

In millions of Naira	December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	308	-	-	308
Standard grade	6	-	-	6
Non Investment	-	-	28	28
Total	**314**	**-**	**28**	**341**

	December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2021	343	8	84	435
-Charge for the period:	-	-	-	-
Total net P&L charge during the period	(29)	(8)	(57)	(94)
At 31 December 2022	**314**	**-**	**28**	**341**

23 Loans and advances to customers

a Group

In millions of Naira	**September 2023**
Loans to individuals	
Retail Exposures	
Auto Loan	2,134
Credit Card	29,201
Finance Lease (note 23c)	101
Mortgage Loan	100,200
Overdraft	36,122
Personal Loan	394,362
Term Loan	155,385
Time Loan	258,364
	975,871
Less allowance for expected credit loss	(21,190)
	954,681

Loans to corporate entities and other organizations

Non-Retail Exposures	
Auto Loan	6,723
Credit Card	2,084
Finance Lease (note 23c)	12,012
Mortgage Loan	49,718
Overdraft	264,945
Personal Loan	-
Term Loan	3,820,885
Time Loan	1,710,581
	5,866,948
Less allowance for expected credit loss	(119,304)
	5,747,644

Loans and advances to customers (Individual and corporate entities and other organizations)	6,842,819
Less allowance for expected credit loss	(140,494)
	6,702,325

ECL allowance on loans and advances to customers

Loans to Individuals

In millions of Naira	**September 2023**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Standard grade	10,443	787	-	11,230
Non-Investment	-	-	9,960	9,960
Total	**10,443**	**787**	**9,960**	**21,190**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2023	6,928	1,095	11,016	19,039
- Charge for the period:				
Transfers to Stage 1	816	8	(824)	-
Transfers to Stage 2	955	454	(1,409)	-
Transfers to Stage 3	(72)	(68)	140	-
Total net P&L charge during the period	1,193	(985)	(1,745)	(1,537)
Amounts written off	-	-	(907)	(907)
Translation difference	623	283	3,690	4,595
At 30 September 2023	**10,443**	**787**	**9,960**	**21,190**

Loans to corporate entities and other organizations
In millions of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	16,282	-	-	16,282
Standard grade	25,160	16,394	-	41,555
Non-Investment	-	-	61,468	61,468
Total	**41,442**	**16,394**	**61,468**	**119,305**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	20,882	16,646	42,374	79,903
- Charge for the period:				-
Transfers to Stage 1	11,750	(3,088)	(8,662)	-
Transfers to Stage 2	11,088	(3,231)	(7,857)	-
Transfers to Stage 3	(2,866)	(8,326)	11,192	-
Total net P&L charge during the period	(110)	(7,410)	59,085	51,564
Amounts written off	-	-	(53,690)	(53,690)
Translation difference	731	21,802	18,994	41,527
At 30 September 2023	**41,472**	**16,394**	**61,438**	**119,305**

Group

In millions of Naira	December 2022
Loans to individuals	
Retail Exposures	
Auto Loan	1,329
Credit Card	18,909
Finance Lease (note 23c)	1,111
Mortgage Loan	78,254
Overdraft	27,834
Personal Loan	285,388
Term Loan	82,172
Time Loan	5,717
	500,713
Less Allowance for ECL/Impairment losses	(19,039)
	481,675

Loans to corporate entities and other organizations

Non-Retail Exposures	
Auto Loan	5,556
Credit Card	1,306
Finance Lease (note 23c)	8,519
Mortgage Loan	31,713
Overdraft	286,183
Personal Loan	-
Term Loan	3,617,981
Time Loan	747,778
	4,699,036
Less Allowance for ECL/Impairment losses	(79,903)
	4,619,133

Loans and advances to customers (Individual and corporate entities and other organizations)	5,199,749
Less Allowance for ECL/Impairment losses	(98,942)
	5,100,807

ECL allowance on loans and advances to customers

Loans to Individuals

In millions of Naira

	December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Standard grade	6,928	1,095	-	8,023
Non-Investment	-	-	11,016	11,016
Total	**6,928**	**1,095**	**11,016**	**19,039**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2022	8,447	2,194	16,492	27,133
Transfers to Stage 1	468	(468)	-	-
Transfers to Stage 2	(1,544)	1,349	195	-
Transfers to Stage 3	(1)	(52)	53	-
Total net P&L charge during the period	(442)	(1,929)	(1,761)	(4,132)
Amounts written off	-	-	(3,978)	(3,978)
At 31 December 2022	**6,928**	**1,095**	**11,016**	**19,039**

Loans to corporate entities and other organizations
In millions of Naira

	December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,931	-	-	1,931
Standard grade	18,951	16,646	-	35,598
Non-Investment	-		42,374	42,374
Total	**20,882**	**16,646**	**42,374**	**79,904**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2022	28,756	25,350	68,662	122,767
Transfers to Stage 1	10,176	(8,596)	(1,581)	-
Transfers to Stage 2	(7,113)	7,120	(7)	-
Transfers to Stage 3	(202)	(5,208)	5,410	-
Total net P&L charge during the period	(10,863)	(2,018)	90,666	77,785
Amounts written off	-	-	(121,014)	(121,014)
Translation difference	94	-	270	364
At 31 December 2022	**20,849**	**16,648**	**42,406**	**79,904**

23 Loans and advances to customers

b Bank

	September 2023
In millions of Naira	
Loans to individuals	
Retail Exposures	
Auto Loan	769
Credit Card	21,139
Finance Lease (note 23c)	96
Mortgage Loan	44,968
Overdraft	19,028
Personal Loan	7,050
Term Loan	18,387
Time Loan	70,584
	182,021
Less Allowance for Expected credit loss	(11,650)
	170,371

Loans to corporate entities and other organizations

Non-Retail Exposures	
Auto Loan	6
Credit Card	2,077
Finance Lease (note 23c)	20
Mortgage Loan	1
Overdraft	233,800
Term Loan	4,382,301
Time Loan	1,144
	4,619,349
Less Allowance for Expected credit loss	(84,816)
	4,534,533
Loans and advances to customers (Individual and corporate entities and other organizations)	4,801,371
Less Allowance for Expected credit loss	(96,466)
	4,704,904

ECL allowance on loans and advances to customers

Loans to Individuals

In millions of Naira	**September 2023**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	8,791	38	-	8,828
Non-Investment	-	-	2,822	2,822
Total	**8,791**	**38**	**2,822**	**11,650**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2023	5,260	21	2,869	8,152
- Charge for the period:				
Transfers to Stage 1	1,552	7	(1,559)	-
Transfers to Stage 2	13	-	(13)	-
Transfers to Stage 3	(72)	4	67	-
Total net P&L charge during the period	2,037	5	2,364	4,406
Amounts written off	-	-	(908)	(908)
At 30 September 2023	**8,791**	**38**	**2,822**	**11,650**

Loans to corporate entities and other organizations
In millions of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	13,435	-	-	13,435
Standard grade	24,896	14,428	-	39,324
Non-Investment	-	-	32,057	32,057
Sub-standard grade	-	-	-	
Total	**38,332**	**14,428**	**32,057**	**84,816**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	18,623	15,851	22,436	56,910
- Charge for the period:				
Transfers to Stage 1	8,262	(86)	(8,176)	-
Transfers to Stage 2	129	-	(129)	-
Transfers to Stage 3	(4,789)	5,908	(1,119)	-
Total net P&L charge during the period	(4,364)	(8,004)	53,104	40,737
Amounts written off	-	-	(34,057)	(34,057)
Foreign exchange revaluation	20,470	757	-	21,227
At 30 September 2023	**38,332**	**14,428**	**32,057**	**84,816**

23 Loans and advances to customers

b **Bank**

	December 2022
In millions of Naira	
Loans to individuals	
Retail Exposures	
Auto Loan	572
Credit Card	18,772
Finance Lease (note 23c)	127
Mortgage Loan	5,470
Overdraft	23,393
Personal Loan	80,178
Term Loan	20,169
Time Loan	590
	149,271
Less Allowance for ECL/Impairment losses	(8,151)
	141,120

Loans to corporate entities and other organizations

Non-Retail Exposures	
Auto Loan	4,955
Credit Card	1,078
Finance Lease (note 23c)	6,260
Mortgage Loan	133
Overdraft	255,042
Term Loan	3,324,202
Time Loan	408,472
	4,000,142
Less Allowance for ECL/Impairment losses	(56,910)
	3,943,232

Loans and advances to customers (Individual and corporate entities and other organizations)	4,149,413
Less Allowance for ECL/Impairment losses	(65,061)
	4,084,352

Impairment allowance on loans and advances to customers

Loans to Individuals

In millions of Naira	**December 2022**			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	-
Standard grade	5,260	21	-	5,281
Non-Investment	-	-	2,869	2,870
Total	**5,260**	**21**	**2,869**	**8,152**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2022	6,409	883	6,540	13,832
Transfers to Stage 1	362	(362)	(0)	-
Transfers to Stage 2	(1,088)	1,089	(1)	-
Transfers to Stage 3	(1)	(97)	97	-
Total net P&L charge during the period	-	-	-	-
Amounts written off	-	-	(2,398)	(2,398)
At 31 December 2022	**5,260**	**21**	**2,869**	**8,152**

Loans to corporate entities and other organizations

In millions of Naira

	December 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,931	-	-	1,931
Standard grade	16,692	15,852	-	32,543
Non-Investment	-	-	22,436	22,436
Sub-standard grade	-	-	-	
Total	**18,623**	**15,852**	**22,435**	**56,910**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2022	23,945	23,657	26,215	73,818
- Charge for the period				
Transfers to Stage 1	9,468	(7,329)	(2,138)	-
Transfers to Stage 2	(6,556)	6,563	(7)	-
Transfers to Stage 3	(100)	(4,743)	4,842	-
Total net P&L charge during the period	(8,134)	(2,296)	70,533	60,102
Amounts written off	-	-	(77,009)	(77,009)
Foreign exchange revaluation	-	-	-	-
At 31 December 2022	**18,623**	**15,851**	**22,436**	**56,910**

Modified loans:

	Group September 2023	**Group December 2022**	**Bank September 2023**	**Bank December 2022**
Amortized Cost before modification	-	33,302	-	33,302
Modification gain/(loss)	-	162	-	162
Amortized Cost after modication	**-**	**33,464**	**-**	**33,464**

24 Pledged assets

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
-Financial instruments at FVOCI				
Treasury bills	638,894	451,476	638,894	451,476
Government bonds	74,127	-	74,127	-
Promissory note	-	-	-	-
	713,022	451,476	713,022	451,476
-Financial instruments at amortised cost				
Treasury bills	25,473	296,061	25,473	296,061
Government bonds	395,671	411,582	395,671	411,582
Promissory note	30,226	32,639	30,226	32,639
	451,370	740,282	451,370	740,282
ECL on financial assets at amortized cost	(336)	(1,612)	(336)	(1,612)
	451,034	738,670	451,034	738,671
-Financial instruments at FVPL				
Treasury bills	158,103	72,565	158,103	72,565
Government bonds	5,353	2,567	5,353	2,567
Promissory note	-	-	-	-
	163,456	75,133	163,456	75,133
	1,327,512	**1,265,279**	**1,327,512**	**1,265,279**

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 millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Opening balance	880		880	
Additional allowance	-	880	-	880
Allowance written back	(391)		(391)	
Balance, end of period	**489**	**880**	**489**	**880**

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 millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Opening balance	1,612	23	1,612	23
Additional allowance	-	1,589	-	1,589
Allowance written back	(1,276)	-	(1,276)	-
Balance, end of period	**336**	**1,612**	**336**	**1,612**

The related liability for assets pledged as collateral include:				
Central Bank of Nigeria (CBN)	267,080	541,476	267,080	541,476
Bank of Industry (BOI)	1,487	8,383	1,487	8,383
	268,568	**549,859**	**268,568**	**549,859**

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 (where borrowings can be seen in Note 36). 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 millions of Naira*	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Equity securities at fair value through profit or loss (see note (i) below)	290,023	167,906	278,297	167,622

At fair value through other comprehensive income
In millions of Naira

Debt securities				
Government bonds	254,298	168,293	136,030	50,774
Treasury bills	1,455,510	1,046,120	987,663	703,695
Eurobonds	61,798	41,695	35,958	21,182
Corporate bonds	17,388	20,599	17,388	20,599
State government bonds	52,437	65,652	52,437	65,652
Commercial Paper	-	3,869	-	3,869
Promissory notes	19,004	217,305	19,004	217,305
	1,860,435	1,563,534	1,248,480	1,083,077
Changes in fair value of FVOCI instruments	(32,828)	61,904	(79,820)	76,641
Changes in allowance on FVOCI financial instruments	6,244	21,282	(1,922)	3,472
Net fair value changes in FVOCI instruments	**(26,584)**	**83,186**	**(81,742)**	**80,113**

At amortised cost
In millions of Naira

Debt securities				
Treasury bills	190,014	192,795	40,431	102,399
Credit Link Notes	-	9,752	-	-
Federal government bonds	978,923	437,679	421,197	171,648
State government bonds	3,653	4,734	3,653	4,734
FGN Promissory notes	95,431	37,762	95,431	37,763
Corporate bonds	7,710	7,579	7,710	7,579
Eurobonds	723,272	420,119	711,626	411,046
Preferential Shares Note	-	-	5,672	-
Gross amount	1,999,002	1,110,420	1,285,719	735,169
ECL on financial assets at amortized cost	(131,071)	(80,791)	(70,663)	(39,308)
Carrying amount	1,867,930	1,029,630	1,215,056	695,861
Total	**4,018,388**	**2,761,070**	**2,741,833**	**1,946,560**

ECL allowance on investments at fair value through other comprehensive income

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Opening balance at 1 January	21,751	468	3,694	222
Additional allowance	74	23,541	-	3,472
Allowance written back	(2,163)	-	(1,992)	-
Revaluation difference	8,333	(2,259)	70	-
Balance, end of period	**27,995**	**21,751**	**1,771**	**3,694**

ECL allowance on investments at amortized cost

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Opening balance at 1 January 2023	80,791	2,005	39,308	1,008
Reclassification	(4,140)	-	-	-
-Charge for the period	8,259	84,676	7,860	38,300
Allowance written back	(611)	-	(611)	-
Revaluation difference	46,772	(5,891)	24,106	-
Balance, end of period	**131,071**	**80,791**	**70,663**	**39,308**
Total ECL charge on securities as seen in Note 9	5,559	108,218	5,257	41,772

(i) Equity securities at FVPL (carrying amount)

Central securities clearing system limited	6,750	4,673	6,750	4,673
Nigeria interbank settlement system plc.	18,019	12,635	18,019	12,635
Unified payment services limited	9,435	5,653	9,435	5,653
Africa finance corporation	231,745	131,633	231,745	131,633
African export-import bank	793	176	793	176
FMDQ Holdings	5,248	7,068	5,248	7,068
Nigerian mortage refinance company plc.	306	291	306	291
Credit reference company	329	383	329	383
NG Clearing Limited	326	325	326	325
Capital Alliance Equity Fund	5,296	4,735	5,296	4,735
Investment in Parent's Shares	11,161	-	-	-
Shared agent network expansion facility	50	50	50	50
Others	565	285	-	-
	290,023	**167,907**	**278,297**	**167,622**

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

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

Group — **September 2023**

At fair value through other comprehensive income
In millions of Naira

	Fair value	ECL
Debt securities		
Government bonds	254,298	120
Treasury bills	1,455,510	1,341
Eurobonds	61,798	25,994
Corporate bonds	17,388	395
State government bonds	52,437	132
Promissory notes	19,004	13
Commercial Paper	-	-
Total	**1,860,435**	**27,995**

At amortised cost
In millions of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Treasury bills	190,014	662	189,352
Credit Link Notes	-	-	-
Eurobonds	723,272	129,214	594,056
Corporate bonds	7,710	158	7,551
State government bonds	3,653	2	3,651
FGN Promissory notes	95,431	70	95,362
Preferential Shares Note	-	-	-
Total	**1,999,002**	**131,071**	**1,867,929**

Bank

At fair value through other comprehensive income
In millions of Naira

	Fair value	ECL
Debt securities		
Government bonds	136,030	120
Treasury bills	987,663	919
Eurobonds	35,958	193
Corporate bonds	17,388	395
State government bonds	52,437	132
Commercial Paper	-	-
Promissory notes	19,004	13
Total	**1,248,480**	**1,772**

At amortised cost
In millions of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	421,197	550	420,646
Treasury bills	40,431	36	40,394
Credit Link Notes	-	-	-
Eurobonds	711,626	69,726	641,900
Corporate bonds	7,710	158	7,551
State government bonds	3,653	2	3,651
Promissory notes	95,431	70	95,362
Preferential Shares Note	5,672	120	5,552
Total	**1,285,719**	**70,663**	**1,215,056**

Group

Debt instruments at fair value through other comprehensive income — **September 2023**
In millions of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	591,577	-	-	591,577
Standard grade	-	-	-	-
Non-Investment	1,248,147	-	20,710	1,268,858
Total	**1,839,725**	**-**	**20,710**	**1,860,435**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	4,434	-	17,317	21,751
- Charge for the period	-	-	74	74
Write Back	(2,163)	-	-	(2,163)
Foreign exchange adjustments	875	-	7,457	8,333
At 30 September 2023	**3,146**	**-**	**24,849**	**27,995**

Financial instruments at amortised cost
In millions of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	321,825	-	-	321,825
Standard grade	-	-	-	-
Non-Investment	1,053,422	-	623,755	1,677,177
Total	**1,375,247**	**-**	**623,755**	**1,999,002**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	4,176	-	76,615	80,791
Reclassification	-	-	(4,140)	(4,140)
- Charge for the period	510	-	7,749	8,259
Foreign exchange adjustments	235	-	46,537	46,772
Write back	(611)	-	-	(611)
At 30 September 2023	**4,310**	**-**	**126,761**	**131,071**

September 2023

Bank

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

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	-	-	-	-
Standard grade	-	-	-	-
Non-Investment	1,248,147	-	333	1,248,480
Total	**1,248,147**	**-**	**333**	**1,248,480**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	3,591	-	102	3,694
- Charge for the period	-	-	-	-
Write back	(1,992)	-	-	(1,992)
Foreign exchange adjustments	-	-	70	70
At 30 September 2023	**1,599**	**-**	**172**	**1,771**

Financial instruments at amortised cost
In millions of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	-
Standard grade	-	-	-	-
Non-Investment	1,053,422	-	232,297	1,285,719
Total	**1,053,422**	**-**	**232,297**	**1,285,719**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	1,988	-	37,320	39,308
- Charge for the period	111	-	7,749	7,860
Write back	(611)	-	-	(611)
Foreign exchange adjustments	-	-	24,106	24,106
At 30 September 2023	**1,488**	**-**	**69,175**	**70,663**

26 Restricted deposits and other assets

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Financial assets				
Accounts receivable (see note (a)below)	222,598	118,915	84,810	66,498
Receivable from Parent company	64,227	69,656.12	64,227	69,656
Receivable on E-business channels (see note (b)below)	102,964	111,678	86,059	104,903
Deposit for investment in AGSMEIS (see note (c)below)	31,265	22,932	31,265	22,932
Subscription for investment (see note (d)below)	8,798	26	8,798	26
Restricted deposits with central banks (see note (e)below)	2,482,989	2,136,947	2,352,308	2,064,614
	2,912,840	2,460,155	2,627,467	2,328,629
Non-financial assets				
Prepayments	76,422	30,886	54,309	20,327
Inventory (see note (f)below)	12,691	4,879	11,418	4,185
	89,113	35,765	65,727	24,512
Gross other assets	3,001,953	2,495,920	2,693,195	2,353,141
Allowance for impairment on other assets				
Financial assets	(13,408)	(6,012)	(11,809)	(4,876)
Non-financial assets	(2,216)	(2,216)	(2,216)	(2,216)
	(15,624)	(8,228)	(14,025)	(7,092)
	2,986,329	**2,487,692**	**2,679,169**	**2,346,050**
Classified as:				
Current	465,492	330,003	289,014	260,693
Non current	2,520,837	2,157,689	2,390,155	2,085,357
	2,986,329	**2,487,692**	**2,679,169**	**2,346,050**

Movement in allowance for impairment on other assets:

In millions of Naira	Group	Bank
Balance as at 1 January 2023	4,471	3,226
ECL allowance for the period:		
- Additional provision	8,143	8,124
- Provision no longer required	-	-
Net impairment	8,143	8,124
Allowance written back	-	-
Allowance written off	(4,258)	(4,258)
-Reclassification		-
-Transalation difference	(127)	-
Balance as at 31 Dec 2022/1 January 2023	8,228	7,092
ECL allowance for the period:		
- Additional provision	11,723	11,693
- Writeback		
Net ECL allowance	11,723	11,693
Acquired from business combination	-	-
Allowance written back	-	-
- Write Off	(4,760)	(4,760)
-Reclassification	-	-
-Translation difference	433	-
Balance as at 30 September 2023	15,624	14,025

(a) This represents the receivable from debtors to the Group that cuts across several services rendered in different capacities

(b) E-banking receivables represent settlements due from other banks use of our electronic channels by their customers. The Group's payables to other banks is contained in Note 34.

(c) 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 period's Profit After Tax as equity investment in the scheme.

(d) Subscription for investment balance relates to deposits paid for the acquisition of equity investments for which shares have not been issued to the Bank. Included in this balance is an amount of N14.76Bn relating to consideration transferred for purchase of shares in Finibanco, Angola S.A. During the period, the Bank entered into a definitive agreement to invest in Finibanco, Angola S.A. The CBN granted the Bank the approval to acquire 100% of the shares, however as at June 2023, the Bank had only paid for 51% of the shares which was yet to be transferred.

(e) 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 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.

(f) 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 period for which the amortization will be over the relevant period of service. These include rents and advertisements.

In determining the ECL for other assets, the Group applies the simplified model in estimating the ECLs, adopting a provision matrix, where the receviables are grouped based on the nature of the transactions, aging of the balances and different historical loss patterns to determine the lifetime ECLs. Receivables relate to amount due for the provision of services to the Bank's customers. The provision matrix estimates ECLs on the basis of historical default rates adjusted for current and forward looking macroeconomic factors without undue cost and effort

27a Investments in associates

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Balance, beginning of period	7,510	2,641	6,904	2,548
Acquisition cost of additional interest during the period	-	4,356	-	4,356
Share of profit for the period	382	513	-	-
Balance, end of period	7,892	7,510	6,904	6,904

Set out below are the summarised financial information for associates which are accounted for using the equity method.

	E-tranzact September 2023	E-tranzact December 2022
Assets		
Cash and balances with banks	11,870	9,510
Inventories	2,360	2,967
Trade and other receivables	719	883
Deposit for shares	457	457
Intangible assets	73	96
Investment property	137	137
Property, plant and equipment	1,579	993
Total Assets	20,179	17,875
Financed by:		
Current tax liabilities	1,019	751
Trade and other payables	8,494	7,251
Long Term Loan	281	298
Deferred Grant Income	90	107
Deferred Tax Liabilities	90	-
Total Liabilities	9,975	8,408
Net Assets	**10,204**	**9,468**

Reconciliation to carrying amounts:

	September 2023
Opening Net Assets (1 January 2023)	9,468
Additions through right issue	-
Irredeemable Convertible Debenture	-
Profit for the period	1,018
Impact of changes due to the net asset difference between 2022 Audited and Unaudited Financial statement*	(192)
Other comprehensive income	-
Closing net assets (30 September 2023)	10,294

Summary statement of comprehensive income	**September 2023**
Revenue	17,379
Cost of sales	(14,029)
Interest Expense using the effective interest method	(13)
Interest Income using the effective interest method	
Selling and marketing costs	(83)
Adminsitrative expenses	(1,906)
Other income	1
Finance cost	
Investment income	148
Taxation	(479)
Profit for the period	1,018

Reconciliation of net asset in associate

Interest in Associate's net asset - (Etz: 37.56%)	3,867
Notional goodwill on investment in associate	2,919
Impact of changes in net assets	1,107
Impact of changes in Percentage Holding	1,417
Other comprehensive income	-
Carrying amount of investment in associates	9,310
Carrying value	7,892

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 for a while now

The Group holds an equity interest of 3,455,729,217 ordinary shares of 50k each in E-tranzact International Plc as at 30 Sep 2023, representing 37.56% equity participation in the company. No dividend income was received from ETRAN during the period. The proportion of the Bank's interest is the same as the proportion of voting rights. As at 30 Sep 2023, the fair value of the Bank's investment was N22.2Bn

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 at the Group level and cost at the Bank level.

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 September 2023. 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	September 2023	December 2022
Access Bank Gambia Limited	Banking	Gambia	88.00%	88.00%
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	80.98%	80.98%
The Access Bank UK	Banking	United Kingdom	100.00%	100.00%
Access Bank R.D. Congo	Banking	Congo	99.98%	99.98%
Access Bank Ghana	Banking	Ghana	93.40%	93.40%
Access Bank Guinea S.A	Banking	Guinea	100.00%	100.00%
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	97.89%	97.89%
Access Bank Botswana	Banking	Botswana	78.15%	78.15%
Access Bank Cameroon	Banking	Cameroon	100.00%	100.00%
Access Bank Angola	Banking	Angola	99.80%	0.00%
Access Investors Services Nominees Limited	Asset Management	Nigeria	100.00%	100.00%

(ii) Structured entities:

			Ownership interest	
	Nature of business	Country of incorporation	September 2023	December 2022
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

27(c)(i) Investment in subsidiaries

In millions of Naira	Bank September 2023	Bank December 2022
Subsidiaries with continuing operations		
The Access Bank, UK	163,922	88,287
Access Bank, Ghana	32,196	32,196
Access Bank Rwanda	5,221	5,221
Access Bank, Congo	13,205	13,205
Access Bank, Zambia	8,411	8,411
Access Bank, Gambia	7,062	7,062
Access Bank, Sierra Leone	3,398	3,398
Access Bank, Guinea	10,067	5,441
Access Bank, Mozambique	20,693	15,310
Access Bank, Kenya	11,615	11,615
Investment in RSPP scheme	9,003	10,077
Access Bank, South Africa	38,320	38,320
Access Bank, Angola	31,547	-
Access Bank Botswana	34,111	34,111
Access Bank, Cameroon	10,557	10,392
Balance, end of period	**399,327**	**283,045**

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 N399.33Bn

27 (d) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at September 2023 are as follows:

Condensed profit and loss *In millions 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 Guinea	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana	Access Bank Cameroon	Access Bank Angola
Operating income	88,974	52,822	7,315	15,156	11,853	2,056	4,302	2,509	14,219	3,527	6,645	17,551	4,168	6,008
Operating expenses	(22,288)	(17,160)	(3,498)	(9,409)	(6,762)	(1,184)	(2,244)	(2,277)	(13,558)	(3,747)	(10,094)	(16,133)	(2,716)	(5,579)
Net impairment loss on financial assets	(4,624)	(523)	(165)	-	267	(10)	-	-	(44)	(44)	(169)	344	(124)	(246)
Profit before tax	62,063	35,139	3,651	5,746	5,357	862	2,059	232	617	(264)	(3,618)	1,762	1,329	183
Income tax expense	(15,992)	(7,406)	(1,095)	(1,724)	(1,607)	(10)	(515)	-	(624)	-	-	(421)	-	(172)
Profit for the period	**46,070**	**27,733**	**2,556**	**4,023**	**3,750**	**852**	**1,544**	**232**	**(7)**	**(264)**	**(3,618)**	**1,341**	**1,329**	**11**

The condensed financial data of the consolidated entities as at September 2023 are as follows:

(ii) Assets

	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 Guinea	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana	Access Bank Cameroon	Access Bank Angola
Cash and cash equivalents	282,781	168,305	45,734	138,549	107,392	14,758	24,104	7,196	125,645	16,017	9,799	95,556	10,893	70,674
Non pledged trading assets	-	41,731	-	-	-	-		-	-	716	-	2,241	-	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	11,466	-	-	-	-	-	-	-	-		-	-
Loans and advances to banks	1,123,611	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	1,049,940	131,889	31,695	71,428	61,211	5,061	7,700	22,610	68,899	23,301	132,260	358,184	14,110	19,130
Investment securities	419,544	351,840	57,798	41,002	102,694	10,769	14,734	10,355	37,973	28,397	78,201	46,608	46,264	26,925
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	17,386	76,090	7,541	9,349	16,013	13,856	650	1,734	25,077	3,775	7,428	4,975	1,398	1,661
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment	3,086	27,126	1,641	9,903	4,244	2,250	2,364	2,679	11,333	3,662	2,415	8,304	2,518	2,765
Intangible assets	3,790	3,144	891	1,157	585	1,073	273	667	823	889	3,760	2,951	967	18,814
Current tax assets	-	-	-	-	-	76	-	-	-	113	-	-	-	-
Deferred tax assets	-	21,448	-	-	-	-	-	-	5,216	1,322	-		-	1,889
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,900,137	821,573	156,767	271,389	292,141	47,844	49,826	45,242	274,966	78,194	233,863	518,820	76,150	141,858
Financed by:														
Deposits from banks	1,288,784	8,247	-	26,768	14,365	722	14,115	-	5,070	13,780	392	80	69	-
Deposits from customers	1,056,060	566,590	120,649	183,901	189,579	37,397	25,140	26,402	222,503	53,237	156,673	429,060	56,766	93,758
Derivative Liability	1,136	-	-	-	-	-	-	-	-	-	65	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	5,677	-	-	-
Retirement benefit obligations	3	39	-	-	17	-	-	-	-	-	-	-	-	-
Current tax liabilities	406	-	1,045	2,052	-	-	142	-	-	-	-	-	-	-
Other liabilities	32,972	35,544	2,800	15,411	27,749	1,926	2,008	1,966	13,478	4,633	3,473	7	2,574	2,317
Interest-bearing loans and borrowings	-	72,563	11,164	1,598	29,065	-	-	-	-	-	30,899	30,399	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	379	5,456	396	-	572	80	7	-	-	-	-	-	-	147
Non - current liabilities held for sale	-		-	-	-	-			-	-	-	-	-	-
Equity	520,398	133,135	20,714	41,660	30,793	7,718	8,416	16,874	33,914	6,543	36,685	59,276	16,741	45,636
	2,900,137	821,573	156,767	271,389	292,141	47,844	49,836	45,242	274,966	78,194	233,863	518,821	76,150	141,858

27 (e) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at September 2022 are as follows:

Condensed profit and loss *In millions of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D.	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra	Access Bank Investme	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana	Access Bank Cameroon
Operating income	38,304	44,832	4,601	10,343	8,022	1,569	3,209	-	703	148	10,593	3,774	4,504	12,341	51
Operating expenses	(12,150)	(12,608)	(2,515)	(6,202)	(4,407)	(808)	(1,744)	-	(1,421)	(148)	(8,626)	(2,776)	(9,304)	(10,759)	389
Net impairment loss on financial assets	(4,151)	(549)	(49)	-	(23)	(9)	(27)	-	-	-	11	-	(70)	417	-
Profit before tax	22,003	31,674	2,038	4,141	3,592	752	1,438	-	(718)	0	1,979	998	(4,870)	2,000	440
Income tax expense	(5,139)	-	(610)	(1,242)	(1,078)	(212)	-	-	-	-	(296)	-	-	-	-
Profit for the period	16,864	31,674	1,427	2,899	2,514	540	1,438	-	(718)	0	1,683	998	(4,870)	2,000	440

(ii) The condensed financial data of the consolidated entities as at December 2022 are as follows:

Assets	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D.	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra	Access Bank Investme	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana	Access Bank Cameroon
Cash and cash equivalents	294,179	138,679	19,950	70,876	44,600	6,808	13,879	-	3,109	-	38,353	10,486	21,499	51,988	6,498
Non pledged trading assets	-	22,721	-	-	-	-	-	-	-	-	-	882	-	1,463	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	2,271	-	-	-	-	-	-	-	-	-	-	18	-
Loans and advances to banks	585,079	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	518,202	69,798	17,734	29,164	26,866	1,643	3,522	-	4,647	-	39,982	15,697	52,578	236,606	324
Investment securities	328,081	175,255	35,335	35,884	69,890	8,649	9,068	-	6,515	-	20,662	22,276	63,964	29,622	17,939
Investment properties	-	-	-	-	-	-	-		-	-	-	-	-	-	
Other assets	10,266	15,466	6,329	4,081	6,094	8,112	802	-	657	-	15,175	2,382	3,834	3,301	339
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	1,152	-	-	-	-	-	-	11,228	-	-	-	-	-	-	-
Property and equipment	2,272	17,334	1,412	5,237	3,314	1,230	1,263	-	1,236	-	7,368	1,495	2,031	5,034	704
Intangible assets	1,776	2,564	666	148	558	214	181	-	472	-	910	630	2,342	3,217	86
Deferred tax assets	-	745	-	2,694	748	-	328	-	-	-	3,096	569	-	1,317	-
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	2,397	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,741,006	442,562	83,698	148,085	152,071	26,656	29,045	11,228	16,636	2,397	125,546	54,417	146,249	332,567	25,890
Financed by:															
Deposits from banks	922,933	4,693	-	-	4,759	1,405	8,491	-	-	-	-	9,892	275	8	-
Deposits from customers	577,388	322,943	67,016	110,253	112,118	20,512	15,131	-	9,810	-	98,423	36,418	79,552	264,996	16,340
Derivative Liability	53	-	-	-	-	-	-	-	-	-	-	-	462	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	3,955	-	-
Retirement benefit obligations	-	24	-	-	9	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	-	-	594	1,749	-	39	-	-	-	-	-	-	-	-	82
Other liabilities	13,131	41,288	1,760	5,260	8,860	444	1,297	-	1,304	-	8,341	1,085	2,408	7,461	1,189
Interest-bearing loans and borrowings	-	38,023	2,182	2,083	5,027	-	-	-	-	-	-	-	29,310	21,931	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	224	1,753	186	283	1,072	43	14	-	-	-	-	-	-	-	-
Equity	-		-	-	-	-				-	-	-	-	-	-
	227,278	33,837	11,961	28,457	20,228	4,214	4,114	11,228	5,522	2,397	18,782	7,023	30,286	38,171	8,279
	1,741,006	442,562	83,698	148,085	152,071	26,656	29,045	11,228	16,636	2,397	125,546	54,417	146,249	332,567	25,890

28 (a) Property and equipment

Group

In millions of Naira

	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost							
Balance at 1 January 2023	145,473	34,112	56,439	105,223	32,532	34,465	408,243
Acquisitions	37,165	-	17,362	10,680	6,332	24,801	96,340
Disposals	(12,038)	(1,588)	(1,792)	(2,172)	(1,340)	(2,796)	(21,726)
Write-offs	-	-	-	-	-	(406)	(406)
Transfers	18,439	-	3,563	4,993	1,336	(7,616)	20,714
Translation difference	6,016	144	880	1,014	390	1,398	9,842
Balance at 30 September 2023	**195,056**	**32,669**	**76,451**	**119,738**	**39,249**	**49,845**	**513,009**
Balance at 1 January 2022	137,621	32,985	45,393	86,838	30,367	21,461	354,665
Acquisitions	10,666	919	12,987	15,737	6,717	28,738	75,764
Disposals	(8,046)	(384)	(2,144)	(1,781)	(3,904)	(4,396)	(20,655)
Reclassifications	62	-	127	729	-	(919)	(1)
Write-offs	(72)	-	-	-	-	(132)	(203)
Transfers	993	-	777	5,122	-	(6,892)	-
Translation difference	4,248	592	(701)	(1,422)	(649)	(3,394)	(1,327)
Balance at 31 December 2022	145,473	34,112	56,439	105,223	32,532	34,465	408,243

Depreciation and impairment losses	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2023	30,436	-	38,201	71,679	20,336	-	160,650
Charge for the period (a)	2,893	-	7,404	10,931	3,070	-	24,299
Disposal	(88)	-	(120)	(67)	(85)	-	(360)
Translation difference	2,373	-	4,919	9,838	7,379	-	24,508
Balance at 30 September 2023	**35,614**	**-**	**50,403**	**92,379**	**30,700**	**-**	**209,097**

Balance at 1 January 2022	21,062	-	33,919	62,537	19,448	-	136,966
Charge for the period	5,902	-	5,189	10,441	3,980	-	25,511
Disposal	(491)	-	(662)	(1,077)	(2,801)	-	(5,031)
Translation difference	3,965	-	(244)	(221)	(290)	-	3,209
Balance at 31 December 2022	30,436	-	38,201	71,679	20,336	-	160,652
Carrying amounts	**159,442**	**32,669**	**26,048**	**27,358**	**8,548**	**49,845**	**303,911**
Right of use assets (see 28(b) below)	**46,676**	-	-	-	-	-	**46,677**
Balance at 30 September 2023	**206,118**	**32,669**	**26,048**	**27,358**	**8,548**	**49,845**	**350,588**
Balance at 31 December 2022	160,596	34,112	18,238	33,544	12,196	34,465	293,152

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

Total Depreciation charge (a+b)	**8,409**	-	**7,404**	**10,931**	**3,070**	-	**29,815**

(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.

(b) The leasehold improvements do not represent lessor's asset

The total balance for non current property and equipment for the period is N350.59Bn

Classified as:

Current	-	-	-	-	-	-	-
Non current	**206,118**	**32,669**	**26,048**	**27,358**	**8,548**	**49,845**	**350,587**
	206,118	**32,669**	**26,048**	**27,358**	**8,548**	**49,845**	**350,587**

28 (b) Leases
Group

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

i Right-of-use assets

	Land N'000	Building and Equipment N'millions	Total N'millions
Opening balance as at 1 January 2023	-	62,465	62,465
Additions during the period	-	5,862	5,862
*Derecognition due to lease modifications	-	(121)	(121)
Translation difference	-	817	817
Closing balance as at 30 September 2023	**-**	**69,024**	**69,024**
Opening balance as at 1 January 2022		42,405	42,405
Additions during the period	-	27,240	27,240
Disposals during the period	-	(6,546)	(6,546)
*Derecognition due to lease modifications		(550)	(550)
Translation difference		(84)	(84)
Closing balance as at 31 December 2022	-	62,465	62,465
Depreciation			
Opening balance as at 1 January 2023	-	16,905	16,905
Charge for the period (b)	-	5,516	5,516
Disposals during the period	-	-	-
*Derecognition due to lease modifications	-	(87)	(87)
Translation difference		15	15
Closing balance as at 30 September 2023	**-**	**22,348**	**22,348**
Net book value as at 30 September 2023	**-**	**46,676**	**46,676**
Opening balance as at 1 January 2022		12,371	12,371
Charge for the period	-	4,787	4,787
*Derecognition due to lease modifications	-	(221)	(221)
Translation difference	-	(33)	(33)
Closing balance as at 31 December 2022	-	16,905	16,905
Net book value as at 31 December 2022	-	45,560	45,559

ii Amounts recognised in the statement of profit or loss

	N'millions
Depreciation charge of right-of-use assets	5,516
Interest expense (included in finance cost)	836
Expense relating to short-term leases (included in other operating expenses)	-
Expense relating to leases of low-value assets (included in other operating expenses)	-
	-
Total cash outflow for leases as at September 2023	21,148

*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 millions of Naira	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Cost							
Balance at 1 January 2023	113,832	32,321	45,439	94,304	27,560	28,389	341,844
Acquisitions	1,579	-	16,166	6,164	5,346	12,179	41,434
Disposals	(6)	-	(32)	(144)	(561)	-	(743)
Reclassification from(to) others	-	-	-	-	-	-	-
Transfers	391	-	922	1,951	167	(2,023)	-
Write-Offs	-	-	-	-	-	(143)	(143)
Balance at 30 September 2023	**115,796**	**32,321**	**62,494**	**102,276**	**32,512**	**38,402**	**382,393**
Balance at 1 January 2022	111,191	32,319	36,704	78,283	25,709	9,283	293,490
Acquisitions	2,224	386	8,375	11,505	5,569	26,710	54,770
Disposals	(577)	(384)	(418)	(605)	(3,719)	(580)	(6,284)
Transfers	993	-	777	5,122	-	(6,892)	-
Write-Offs	-	-	-	-	-	(132)	(132)
Balance at 31 December 2022	113,832	32,321	45,439	94,304	27,560	28,389	341,844

Depreciation and impairment losses	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Balance at 1 January 2023	19,134	-	31,557	65,398	18,053	-	134,142
Charge for the period (a)	1,875	-	5,541	7,827	2,761	-	18,004
Disposal	(1)	-	(32)	(143)	(373)	-	(549)
Balance at 30 September 2023	**21,009**	**-**	**37,065**	**73,083**	**20,442**	**-**	**151,597**
Balance at 1 January 2022	17,071	-	27,162	56,049	17,116	-	117,398
Charge for the period (a)	2,192	-	4,800	9,918	3,568	-	20,479
Disposal	(128)	-	(406)	(568)	(2,631)	-	(3,733)
Balance at 31 December 2022	19,134	-	31,557	65,398	18,053	-	134,143
Carrying amounts	**94,787**	**32,321**	**25,429**	**29,193**	**12,070**	**38,402**	**232,202**
Right of use assets (see 28(d) below)	34,095	-	-	-	-	-	34,095
Balance at 30 September 2023	**128,882**	**32,321**	**25,429**	**29,193**	**12,070**	**38,402**	**266,297**
Balance at 31 December 2022	132,065	32,321	13,882	28,906	9,507	28,389	245,070

Depreciation charge on property and equipment and right of use assets

Total Depreciation/Impairment charge (a+b)	**5,765**	**-**	**5,541**	**7,827**	**2,761**	**-**	**21,894**

(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 period is N266.30Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**94,787**	**32,321**	**25,429**	**29,193**	**12,070**	**38,402**	**232,202**
	94,787	**32,321**	**25,429**	**29,193**	**12,070**	**38,402**	**232,202**

28 (d) Leases
Bank

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

i) Right-of-use assets

	Building and Equipment N'millions	Total N'millions
Opening balance as at 1 January 2023	46,403	46,403
Additions during the period	653	653
Disposals during the period	-	-
*Reversals due to lease modifications	(37)	(37)
Closing balance as at 30 September 2023	**47,019**	**47,019**
Opening balance as at 1 January 2022	24,320	24,320
Additions during the period	22,633	22,633
Disposals during the period	-	-
*Reversals due to lease modifications	(550)	(550)
Closing balance as at 31 December 2022	46,403	46,403
Depreciation		
Opening balance as at 1 January 2023	9,036	9,036
Charge for the period (b)	3,889	3,889
Disposals during the period	-	-
*Reversals due to lease modifications	(0)	(0)
Closing balance as at 30 September 2023	**12,925**	**12,925**
Net book value as at 30 September 2023	**34,094**	**34,095**
Opening balance as at 1 January 2022	6,341	6,341
Charge for the period (b)	2,916	2,916
*Reversals due to lease modifications	(221)	(221)
Closing balance as at 31 December 2022	9,036	9,036
Net book value as at 31 December 2022	37,367	37,367

ii) Amounts recognised in the statement of profit or loss

	N'millions
Depreciation charge of right-of-use assets (buildings)	3,889
Interest expense (included in finance cost)	470
Expense relating to short-term leases (included in other operating expenses)	17
Expense relating to leases of low-value assets (included in other operating expenses)	-
	-
Total cash outflow for leases as at September 2023	20,139

*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 millions of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total Intangible
Cost							
September 2023							
Balance at 1 January 2023	12,747	10,729	61,000	28,665	12,652	4,725	130,517
Acquisitions	-	15,493	20,602	-	-	-	36,096
Reclassification	-	(362)	362	-	-	-	-
Write off	-	(135)	-	-	-	-	(135)
Translation difference	-	3,366	16,283	-	-	-	19,648
Balance at 30 September 2023	**12,747**	**29,090**	**98,248**	**28,665**	**12,652**	**4,725**	**186,126**
December 2022							
Balance at 1 January 2022	12,664	3,487	51,360	28,665	12,652	4,725	113,552
*Arising from business combination	83	-	-	-	-	-	83
Acquisitions	-	11,270	6,642	-	-	-	17,913
Reclassification	-	(4,001)	4,001	-	-	-	-
Write off	-	(35)	(1,933)	-	-	-	(1,967)
Translation difference	-	7	930	-	-	-	937
Balance at 31 December 2022	12,747	10,729	61,000	28,665	12,652	4,725	130,517
Amortization and impairment losses							
Balance at 1 January 2023	-	-	39,471	10,749	4,744	1,772	56,736
Amortization for the period	-	-	8,480	2,460	949	354	12,243
Write off	-	-	-	-	-	-	-
Translation difference	-	-	11,294	-	-	-	11,294
Balance at 30 September 2023	-	-	59,245	13,209	5,693	2,126	**80,273**
Balance at 1 January 2022	-	-	30,559	7,883	3,479	1,299	43,220
Amortization for the period	-	-	9,221	2,866	1,265	472	13,825
Write off	-	-	(928)	-	-	-	(928)
Translation difference	-	-	619	-	-	-	619
Balance at 31 December 2022	-	-	39,471	10,749	4,744	1,772	56,735
Net Book Value							
Balance at 30 September 2023	**12,747**	**29,090**	**39,003**	**15,456**	**6,957**	**2,599**	**105,853**
Balance at 31 December 2022	12,747	10,729	21,530	17,915	7,906	2,953	73,782

*Changes Arising from final assessment: This relates to the changes recognized in the goodwill acquired from former BancABC by Access Botswana post audit of the acquired net asset. The original goodwill recognized was provisional as the net assets were still being audited. The final net asset led to a change in the purchase consideration based on the share purchase agreement leading to the changes observed in the goodwill initially recognized from the previous period.

Intangible assets
Bank

In millions of Naira	**Goodwill**	**WIP**	**Purchased Software**	**Core deposit intangible**	**Customer relationship**	**Brand**	**Total**
Cost							
September 2023							
Balance at 1 January 2023	11,148	9,670	40,083	28,665	12,652	4,725	106,943
Acquisitions	-	7,921	5,677	-	-	-	13,598
Reclassification	-	(803)	803	-	-	-	-
Write off	-	(135)	-	-	-	-	(135)
Balance at 30 September 2023	**11,148**	**16,652**	**46,564**	**28,665**	**12,652**	**4,725**	**120,406**
December 2022							
Balance at 1 January 2022	11,148	1,086	37,955	28,665	12,652	4,725	96,229
Acquisitions	-	9,044	1,703	-	-	-	10,747
Reclassification	-	(426)	426	-	-	-	-
Write off	-	(35)	-	-	-	-	(35)
Balance at 31 December 2022	11,148	9,670	40,083	28,665	12,652	4,725	106,943
Amortization and impairment losses							
Balance at 1 January 2023	-	-	30,312	10,749	4,744	1,772	47,578
Amortization for the period	-	-	4,045	2,150	949	354	7,498
Balance at 30 September 2023	**-**	**-**	**34,357**	**12,899**	**5,693**	**2,126**	**55,076**
Balance at 1 January 2022	-	-	24,836	7,883	3,479	1,299	37,497
Amortization for the period	-	-	5,477	2,866	1,265	472	10,081
Balance at 31 December 2022	-	-	30,312	10,749	4,744	1,772	47,578
Carrying amounts							
Balance at 30 September 2023	**11,148**	**16,652**	**12,207**	**15,766**	**6,958**	**2,599**	**65,330**
Balance at 31 December 2022	11,148	9,670	9,771	17,915	7,907	2,953	59,365

Amortization method used is straight line.

	Group September 2023	**Group December 2022**	**Bank September 2023**	**Bank December 2022**
Classified as:				
Current	-	-	-	-
Non current	105,853	73,782	65,330	59,365

29(b) Intangible assets

(i) **Goodwill is attributable to the acquisition of Diamond Bank Plc and the following subsidiaries:**

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Diamond Bank Plc (see (a) below)	4,555	4,555	11,148	11,148
Access Bank Rwanda (see (b) below)	681	681	-	-
Access Bank Kenya (see (c) below)	6,545	6,545	-	-
Access Bank Botswana (see (d) below)	965	965	-	-
	12,747	**12,747**	**11,148**	**11,148**

(a) Diamond bank:
The recoverable amount of Goodwill as at 30 June 2023 was greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N194.79bn.

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 2023 (31 December 2022: 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 periods based on operating results, expected future financial performance and past experience. Beyond 5 periods, cash flows were assumed to grow at terminal growth rate of of 3.19%. A discount rate of 31.78% 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:

Terminal growth rate (i)	3.19%
Discount rate (ii)	31.78%

(i) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) 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-period period.

Discount Rate
Pre-tax discount rate of 31.78% 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)	(23,262)	29,545
Impact of change in growth rate on value-in-use computation (increase/(decrease)	921	(901)

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 September 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N12.99bn.

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 September 2023 (31 December 2022: 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 periods based on operating results, expected future financial performance and past experience. Beyond 5 periods, cash flows were assumed to grow at terminal growth rate of of 6.6%. A discount rate of 22.44% 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:

	September 2023
Terminal growth rate (i)	6.60%
Discount rate (ii)	22.44%

(i) Terminal growth rate used to extrapolate cash flows beyond the budget period.
(ii) 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-period period.

Discount Rate
Pre-tax discount rate of 22.44% 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)	(1,601)	2,127
Impact of change in growth rate on value-in-use computation (increase/(decrease)	204	(188)

(c) Access bank Kenya:

The recoverable amount of Goodwill as at 30 June 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N20.71bn.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred.

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 periods based on operating results, expected future financial performance and past experience. Beyond 5 periods, cash flows were assumed to grow at terminal growth rate of of 5.47%. A discount rate of 23.22% 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:

Terminal growth rate (i)	5.47%
Discount rate (ii)	23.22%

(i) Terminal growth rate used to extrapolate cash flows beyond the budget period.
(ii) 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-period period.

Discount Rate
Pre-tax discount rate of 23.22% 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 for Kenya.

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)	(2,881)	3,797
Impact of change in growth rate on value-in-use computation (increase/(decrease)	372	(350)

There were no write-downs of goodwill due to impairment during the period.

(d) Access bank Botswana:

The recoverable amount of Goodwill as at 30 June 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N271.73bn.

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 Botswana .

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 periods based on operating results, expected future financial performance and past experience. Beyond 5 periods, cash flows were assumed to grow at terminal growth rate of of 4.16%. A discount rate of 8.8% 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:

Terminal growth rate (i)	4.16%
Discount rate (ii)	8.80%

(i) Terminal growth rate used to extrapolate cash flows beyond the budget period.
(ii) 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-period period.

Discount Rate
Pre-tax discount rate of 8.8% was applied in determining the recoverable amounts for the goodwill of Access Bank Botswana. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium for Botswana.

Terminal growth rate

The terminal growth rate applied was based on the long term growth rate in GDP of Botswana.

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)	(47,785)	70,391
Impact of change in growth rate on value-in-use computation (increase/(decrease)	22,461	(18,762)

There were no write-downs of goodwill due to impairment during the period.

31a Investment properties

	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Balance at 1 January	217	217	217	217
Balance, end of period	**217**	**217**	**217**	**217**

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 millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Balance at 1 January	42,039	42,737	42,039	42,547
Additions	28,835	7,876	28,835	7,876
Disposals	-	(8,384)	-	(8,384)
Impairment	-	-	-	-
Transfers from assets held for sale	-	(190)	-	-
	70,875	**42,039**	**70,875**	**42,039**

The total balance for non current financial assets held for sale for the period is N70.86Bn for Group and Bank

Classified as:				
Current	-	-	-	-
Non current	70,875	42,039	70,875	42,039

32 Deposits from financial institutions

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Money market deposits	2,012,500	960,476	1,654,366	868,070
Trade related obligations to foreign banks	1,412,701	1,044,841	1,484,934	769,248
	3,425,202	**2,005,316**	**3,139,300**	**1,637,318**
Current	3,421,320	2,002,106	3,136,760	1,635,449
Non-current	3,882	3,211	2,540	1,869

33 Deposits from customers

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Term deposits	5,076,709	3,462,402	3,438,080	2,586,981
Demand deposits	5,270,753	3,891,112	3,906,501	3,144,067
Saving deposits	2,398,910	1,897,724	2,204,013	1,799,015
	12,746,373	**9,251,238**	**9,548,594**	**7,530,062**
Current	12,689,110	9,203,871	9,511,122	7,502,487
Non-current	57,262	47,367	37,471	27,576

34 Other liabilities

In millions of Naira		Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Financial liabilities					
Certified and bank cheques		5,514	5,242	5,067	4,738
E-banking payables	(see (a) below)	223,661	74,892	216,352	72,218
Collections account balances	(see (b) below)	571,060	452,078	560,473	441,818
Due to subsidiaries		-	340.11	676	1,357
Accruals		22,270	8,991	2,446	1,050
Contribution to Industrial Training Fund (ITF)	(see (c) below)	375	573	375	573
Creditors		59,061	36,816	1,365	7,693
Payable on AMCON		20	441	20	441
Customer deposits for foreign exchange	(see (d) below)	90,786	88,623	90,811	88,623
Restricted shares performance plan payable (RSPP)		2,598	-	2,598	-
ECL on off-balance sheet	(see (e) below)	6,073	6,871	5,762	10,848
Lease liabilities	(see (g) below)	16,053	11,650	6,584	6,256
Other financial liabilities	(see (h) below)	74,003	56,637	24,550	24,847
		1,071,475	743,153	917,078	660,463
Non-financial liabilities					
Litigation claims provision	(see (f) below)	3,377	2,821	3,377	2,770
Other non-financial liabilities		13,352	7,901	8,172	3,963
Total other liabilities		**1,088,203**	**753,875**	**928,627**	**667,195**
Classified as:					
Current		1,075,748	744,393	922,418	661,161
Non current		12,455	9,482	6,209	6,034
		1,088,203	**753,875**	**928,627**	**667,195**

(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) The contribution to the Industrial training fund scheme is being shown as a separate line under other liabilities. This has been stripped out of the accrual line where it was previously warehoused. The amount here represents 1% of the personnel cost of the employer according to the ITF amendment ACT 2011 , Act No 19 section 6, subsection 1

(d) 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.

(e) Movement in ECL on contingents	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Opening balance at 1 January 2023/31 December 2022	6,871	1,932	10,848	1,759
(Write back)/Charge for the period	(5,110)	4,949	(5,087)	9,089
Reclassification	4,140	-	-	-
Translation difference	172	(10)	-	-
Balance, end of period	6,073	6,871	5,762	10,848

(f) Movement in litigation claims provision	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Opening balance	2,821	2,536	2,770	2,469
Additions	603	332	607	301
Translation difference	(47)	(47)	-	-
Closing balance	**3,377**	**2,821**	**3,377**	**2,770**

(g(i)) Lease liabilities

	Group N'millions	Bank N'millions
Opening balance as at 1 January 2023	11,650	6,256
Additions	2,649	140
Interest expense	836	470
Lease payments	(1,406)	(180)
*Derecognition due to lease modifications	(101)	(101)
Translation difference	2,423	-
Closing balance as at 30 September 2023	**16,053**	**6,584**
Current lease liabilities	3,598	375
Non-current lease liabilities	12,455	6,209
	16,053	**6,584**

(g(ii)) Lease liabilities

	Group N'millions	Bank N'millions
Opening balance as at 1 January 2022	15,306	5,893
Additions	1,196	633
Interest expense	1,424	973
Lease payments	(4,899)	(681)
*Derecognition due to lease modifications	(562)	(562)
Translation difference	(816)	-
Closing balance as at 31 December 2022	**11,650**	**6,256**
Current lease liabilities	2,168	222
Non-current lease liabilities	9,483	5,640
	11,650	**5,862**

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

	Group N'millions	Bank N'millions
Less than 6 months	1,231	498
6-12 months	2,451	968
Between 1 and 2 periods	3,067	1,188
Between 2 and 5 periods	4,500	2,333
Above 5 periods	4,804	1,990
Closing balance as at 30 September 2023	**16,053**	**6,978**
Carrying amount	16,053	6,584

*This relates to lease contracts that were modified during the period, subsequently derecognized and new contracts were drawn up to represent the new leases

(h) Other financial liabilities is comprised of items unclaimed items due to customers, other tax payables, staff payables and payables due to counterparties in the ordinary course of business

35 Debt securities issued

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	386,529	232,651	386,529	232,651
Green Bond (see (ii) below)	55,225	38,871	55,225	38,871
Local Bond (see (iii) below)	30,652	31,775	30,652	31,775
Debentures (see (iv) below)	5,677	3,955	-	-
	478,083	**307,253**	**472,406**	**303,297**

Movement in Debt securities issued:

In millions of Naira	Group September 2023	Bank September 2023
Net debt as at 1 January 2023	307,253	303,297
Debt securities issued	-	-
Repayment of debt securities issued	-	-
Total changes from financing cash flows	307,254	303,297
The effect of changes in foreign exchange rates	161,355	159,728
Other changes		
Interest expense	20,845	20,576
Interest paid	(11,369)	(11,196)
Balance as at 30 September 2023	**478,083**	**472,406**

In millions of Naira	Group December 2022	Bank December 2022
Net debt as at 1 January 2022	264,495	260,644
Debt securities issued	21,887	21,887
Repayment of debt securities issued	-	-
Total changes from financing cash flows	286,383	282,531
The effect of changes in foreign exchange rates	18,852	18,976
Other changes		
Interest expense	22,816	22,393
Interest paid	(20,797)	(20,603)
Balance as at 31 December 2022	**307,253**	**303,297**

(i) This refers to US$500,000,000 notes of 6.13% interest issued on 21 September 2021 with a maturity date of 21 September 2026. The principal amount is payable at maturity, whilst coupon due is payable on a semi-annual basis.

(ii)The Bank issued an unsecured green bond of N15bn on March, 18, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 5 periods and is due on March, 2024. In 2022, the Bank issued a puttable Senior unsecured USD$50,000,000 Step-Up Green Notes on May 3, 2022 with a coupon rate of 5.50% and 7.25% at put option date (May 3, 2024) payable semi-annually. The bond has a tenor of 5 periods and is due on May, 2027.

(iii) Access Bank Plc issued a local bond of N30bn on July, 4, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 7 periods 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 periods 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 millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
African Development Bank (see note (a))	5,017	8,909	5,017	8,909
Netherlands Development Finance Company (see note (b))	248,855	158,564	232,701	146,767
Citi Bank (see note (c))	14,412	8,386	14,412	8,386
European Investment Bank (see note (d))	31,573	23,995	31,573	23,995
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	20,010	9,473	3,743	2,699
International Finance Corporation (see note (f))	67,080	40,620	67,080	40,620
French Development Agency (see note (g))	-	10,901	-	10,901
Mashreq Bank PSC Syndicated Trade Finance Facility (see note (h))	-	312,417	-	289,881
Invest International (see note (i))	14,646	9,284	14,646	9,284
US Development Finance Corporation (see note (j))	156,317	91,904	156,317	91,904
Overseas Private Investment Corporation (OPIC) (see note (k))	1,909	4,591	-	-
Botswana Development Corporation Limited (see note (l))	19,106	10,649	-	-
Norfund Private Equity Company (see note (m))	15,450	7,812	-	-
Anchor Borrowers Programme (ABP)	-	-	60	-
Microfinance Enhancement Facility SA, SICAV-SIF (MEF) (see note (n))	-	71	-	-
Botswana Building Society - long term loan (see note (o))	37	4,637	-	-
Société De Promotion Et De Participation Pour La Coopératio Économique S.A	719	793	-	-
Kgori Capital Proprietary Limited (see note (q))	8,394	2,182	-	-
Central Bank of Rwanda (see note (r))	11,164	4,275	-	4,275
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see	3,168	1,737	3,168	1,737
Central Bank of Nigeria - Shared Agent Network Expansion Facility (SANEF) (	1,487	1,150	1,487	1,150
Bank of Industry-Power & Airline Intervention Fund (see note (u))	782	1,503	782	1,503
Special Refinancing & Restructuring Intervention fund (SRRIF) (see note (v))	859	59,963	859	59,963
Central Bank of Nigeria - Salary Bailout facilities (see note (w))	58,225	101,808	58,225	101,808
Central Bank of Nigeria - Excess Crude Account (see note (x))	97,612	11,983	97,612	11,983
Real Sector And Support Facility (RSSF) (see note (y))	8,791	93,521	8,791	93,521
Development Bank of Nigeria (DBN) (see note (z))	91,579	333,108	91,579	333,108
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement	321,655	5,366	321,655	5,366
Nigeria Mortgage Refinance Company (NMRC) (see note (ab))	5,195	-	5,195	-
Africa Export and Import Bank (AFREXIM) (see note (ac))	-	7,995	-	-
Ghana International Bank (see note (ad))	-	7,233	-	7,233
BOI Power and steel (PAIF) (see note (ae))	4,824	1,213	4,824	1,213
Creative Industry Financing Initiative Fund (CIFI) (see note (af))	852	1,978	852	1,978
Accelerated Agricultural Development Scheme (AADS) (see note (ag))	815	9,130	815	9,130
Non-Oil Export Stimulation Facility (NESF) (see note (ah))	8,365	19,054	8,365	19,054
Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement Sc	17,015	383	17,015	383
Lagos State Employment Trust Fund (LESTF) W Initiative (see note (aj))	383	1,050	383	-
ECOWAS Bank for Investment and Development (EBID) (see note (ak))	24,653	-	-	-
Norsad Finance Limited (see note (aq))	-	3,499	-	-
Bank of Zambia - (TMTRF) (see note (ar))	5,572	-	-	-
SBSA(see note (at))	14,631	14,289	-	120
Other loans and borrowings	41,691	-	-	
	1,322,842	**1,385,424**	**1,147,155**	**1,286,869**

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

(a) The amount of N5,017,206,640 (USD 6,458,897) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in three 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. There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable.From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(b) The amount of N248,854,539,302 (USD 320,362,697) 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), August 2020 (USD 93.8m) and October 2022 (USD 45m) for a period of 5 years, 10 years, 10 years and 6 years respectively. The principal amount is repayable semi-annually from July 2019, quarterly from May 2019, January 2026, semi-annually from November 2023 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, quarterly at 9.61% and semi annually at 4.5% above 6 months LIBOR. There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable. It also includes the facility granted to Ghana in December 2022 for a period of 7 years at 8.67% with interest (starting June 2023) and principal (starting June 2025) 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 September 2023.

(c) The amount of N14,412,140,893 (USD 18,553,458) represents the outstanding balance in on-lending facility was granted to the Bank by CITI Bank in November 2022 (USD 20M) for a period of 3 years. The princiapl amount is repayable quarterly from january 2024, while the interest portion is payable quarterly at 3.30% above 3 months SOFR and 330bps.From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(d) The amount of N31,572,674,992 (USD 40,645,058) represents the outstanding balance on three on-lending facilities granted to the Bank by the European Investment Bank (EIB) in September 2015 (USD 27.9m), March 2016 (USD 27.1m) and July 2020 (USD 68.7m) for a period of 8 years each for the first two and a period of 5 years for the last one. Interest is paid semi-annually at 2.6%, 2.6% respectively above 6 months LIBOR and 3.04% for the last one. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(e) The amount of N20,010,438,271 (USD 25,760,422) 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. It also includes the ZAR 250,000,000 facility granted to South Africa in December 2022 for a period of 7 years with the principal and interest amount repayable quarterly at 11.27%. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(f) The amount of N67,080,412,234 (USD 86,355,916) represents the outstanding balance on the on-lending facility of USD 87.5mn granted to the Bank by International Finance Corporation for a period of 10 years. The principal amount will be repayable quarterly from September 2024, while interest is paid quarterly at 7.65% above 3 months LIBOR.There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable. From this creditor, the bank has nil undrawn balance as at 30 September

(g) The amount of N14,645,737,249 (USD 18,854,178) 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 September 2023.

(h) This facility was granted to the Bank by the MashreqBank PSC in three tranches. The first tranche of USD 634.5m has matured and was fully paid out in July 2022. The second and third tranche were disbursed in August 2022 (USD 462.5m and USD 160m), for a period of 1 year and 2 years respectively. There will be a bullet repayment of principal at maturity in August 2023 and August 2024, while interest is paid semi annually from February 2023 at 1.95% above 6 months SOFR. It also includes the facility granted to South Africa in June 2022 for a period of 1 year. Interest is paid quarterly at currently 5.9023% which includes (3m SOFR + 2.75% Margin + 0.26% CAS (Credit Adjustment Spread)) and Principal is to be paid in bullet at the end of term. From this creditor, the bank has nil undrawn balance as at 30 September 2023

(i) The amount of N14,645,737,249 (USD 18,854,178) represents the outstanding balance on the on-lending facility of USD 20mn granted to the Bank by tInvest International in September 2022 for 6 years. The principal amount will be paid in 10 equal installments from November 2022, while interest is paid semi-annually at 4.5% above 6 months LIBOR.There has been a transition from LIBOR to SOFR effective May 2023 for the interest payable. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(j) The amount of N156,316,870,029 (USD 201,234,401) represents the outstanding balance on the on-lending facility of USD 200mn granted to Access Bank by the US Development Finance Corporation in November 2022 for 10 years. The principal amount will be repayable quarterly from January 2025 while interest is paid quarterly at 3.90% above 3 moths SOFR. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(k) The amount of N1,908,593,165 (USD 2,457,026) represents the outstanding balance on the on-lending facility of USD 40mn granted to Access Bank Botswana by the Overseas Private Investment Corporation ("OPIC"). On 7 March 2017 BancABC Botswana (now Access Bank Botswana) finalised a USD 40 million Fintech and Financial Inclusion Debt Facility. The loan has a 7 year tenure with a 3 year moratorium on Capital. Interest is paid quarterly during the three years and the Capital is paid in 16 equal instalments after year 3. The rate is three month Libor plus a margin of 4.45%. From this creditor, the bank has nil undrawn balance as at 30 September 2023

(l) The amount of N19,106,162,738 (USD 24,596,304) represents the outstanding balance on the on-lending facility of BWP 150mn granted to Access Bank Botswana by the Botswana Development Corporation Ltd (BDC) in 2018. The loan has a 10 year tenure (maturing 3 August 2028) at an interest rate of bank rate (currently 4.75%) and a margin of 4%. From this creditor, the bank has nil undrawn balance as at 30 September 2023

(m) The amount of N15,450,057,819 (USD 19,889,620) represents the outstanding balance on the on-lending facility granted to Access Bank Ghana by Norfund in November 2022. The loan has a 5 year tenure (maturing November 2027) at an interest rate of 8.94%. Interest is to be paid semi-annually beginning in June 2023. Principal repayment is semi-annually for the next 4 years. From this creditor, the bank has nil undrawn balance as at 30 September 2023

(n) The on-lending facility of USD 10mn was granted to Access Bank Botswana by the Microfinance Enhancement Facility SA, SICAV-SIF in January 2019 for 3 years. The principal amount was bullet which was paid at maturity in January 2022 while interest is paid semi annually at 4.25% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2023

(o) The amount of N36,693,033 (USD 47,237) represents the outstanding balance on the on-lending facility granted to Access Bank Botswana by the Botswana Building Society in January 2008 for 14 years. The principal amount is paid monthly and interest is also paid monthly at 4.5%. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(p) The amount of N718,585,352 (USD 925,070) represents the outstanding balance on the on-lending facility of USD 10mn granted to Access Bank Botswana by the Société De Promotion Et De Participation Pour La Coopératio Économique S.A. ('Proparco') in 2020 for 10 years. The principal amount will be bullet at maturity in April 2030 while interest is paid semi annually at 6.65% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(q) The amount of N8,392,992,740 (USD 10,806,000) represents the outstanding balance on the on-lending facility granted to Access Bank Botswana by the Kgori Capital Proprietary Limited, Botswana Insurance fund Management Proprietary Limited, Vunani Fund Managers and Morula Capital Partners in October 2016 for 7 years. The principal amount will be bullet at maturity in October 2023 while interest is paid semi annually at 8%. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(r) The amount of N11,163,902,847 (USD 14,371,842) represents the outstanding balance on the on-lending facility granted to Access Bank Rwanda by the Central Bank of Rwanda in 2021 for a year. The principal amount will be bullet at maturity in 2023 while interest is paid at maturity at 8%. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(s) The amount of N3,167,610,262 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 September 2023.

(t) The amount of N1,487,456,201 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 September 2023.

(u) The amount of N781,811,262 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 September 2023.

(v) The amount of N858,716,243 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 24 April 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 September 2023.

(w) The amount of N58,224,609,197 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 September 2023.

(x) The amount of N97,611,510,281 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 September 2023.

(y) The amount of N8,791,340,066 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 September 2023.

(z) The amount of N91,579,393,587 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%. It also includes the 20bn disbursed in August 2022, for a maximum of 3 years. Principal repayment will begin in February 2024 while interest is at a rate of 12%. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(aa) The amount of N321,655,186,876 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. Additionally, facility worth 149bn was disbursed in 2022 to for mangal, BUA, retail supermarket etc for a period of 7.5 to 10 years at 2% interest rate on a quarterl basis. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(ab) The amount of N5,194,839,653 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 September 2023.

(ac) 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 has fully matured and has been settled. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(ad) The facility granted to Access Bank Ghana by Ghana International Bank in October 2022. The principal amount was being paid at maturity in 2023 while interest is paid at maturity at 7.59%. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(ae) The amount of N4,823,586,355 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 September 2023

(af) The amount of N852,490,335 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 September 2023.

(ag) The amount of N815,066,573 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 September 2023.

(ah) The amount of N8,365,404,459 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. It also includes an additional N5bn disbursed in september 2022 for a period of 7 years at 2% interest repayable on a quarterly basiss. Principal repayment will start in October 2024, payable on a quarterly basis. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(ai) The amount of N17,014,942,791 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 September 2023.

(aj) The amount of N382,617,374 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 September 2023.

(ak) The amount of N24,653,316,310 (USD 31,737,428) 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) for two different facilities which attracts an interest rate of 4.75% for 90 days and 2.75% for 63 days respectively disbursed on 29 June 2022 and 6 June 2022 all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(al) This on-lending facility was 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 were payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(am) The facility was granted to the Group's Subsidiary in Ghana by Bunge SA which attracts an interest rate of 5.24% for 175 days was disbursed on 1 June 2022. The principal and interest were payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(an) The facility was granted to the Group's Subsidiary in Ghana by Cargill, Inc. which attracts an interest rate of 3.16% for 357 days was disbursed on 15 October 2021. The principal and interest are payable semi-annually. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(ao) The facility was granted to the Group's Subsidiary in Ghana by JP Morgan Chase Bank N.A. which attracts an interest rate of 3.18% for 374 days was disbursed on 26 November 2021. The principal and interest are payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(ap) The facility was granted to the Group's Subsidiary in Ghana by FCC Securities which attracts an interest rate of 3.18% for 371 days was disbursed on 29 November 2021. The principal and interest are payable at maturity. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(aq) The facility was granted to the Group's Subsidiary in South Africa by Norsad Finance Limited disbursed 30 January 2020 which attracts an interest rate of 5.5% plus 3 months JIBAR for 3 years with interest and principal paid quarterly. The Facility has fully matured with the balances paid off. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(ar) The amount of N5,572,375,685 (USD 7,173,593) 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 ranging from 9.5% to 10.25% with tenors ranging from 30 days to 7 years with eight different facilities disbursed on 31 July 2020, 10 March 2021, 3 December 2021 and 15 December 2021. Interest is payable quarterly after 12 months moratorium and principal is paid at maturity. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(as) This 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. The balances for this facility has been paid off. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

(at) The amount of N14,630,995,008 (USD 18,835,200) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in South Africa by SBSA which attracts an interest rate ranging from 9.012% to 9.89% with tenors ranging from 30 days to 1 year . Principal and Interest is payable quarterly within 12 months. From this creditor, the bank has nil undrawn balance as at 30 September 2023.

The above borrowings are unsecured

Reconciliation of interest bearing borrowings

In millions of Naira	Group September 2023	Bank September 2023
Balance as at 1 January 2023	1,385,587	1,286,869
Proceeds from interest bearing borrowings	112,427	7,995
Repayment of interest bearing borrowings	(607,615)	(572,861)
Total changes from financing cash flows	890,399	722,004
The effect of changes in foreign exchange rates	435,372	430,734
Other changes		
Interest expense	53,071	48,989
Interest paid	(56,001)	(54,572)
Balance as at 30 September 2023	**1,322,842**	**1,147,155**

	Group December 2022	Bank December 2022
Balance as at 1 January 2022	1,171,260	1,072,436
Proceeds from interest bearing borrowings	678,377	612,579
Arising from business combination (Note 44)	-	-
Repayment of interest bearing borrowings	(509,479)	(446,598)
Total changes from financing cash flows	1,340,158	1,238,418
The effect of changes in foreign exchange rates	41,693	44,095
Other changes		
Interest expense	51,900	47,220
Interest paid	(48,164)	(42,861)
Balance as at 31 December 2022	**1,385,587**	**1,286,869**

38 Capital and reserves

A Share capital

In millions of Naira	Bank September 2023	Bank December 2022
(a) Issued and fully paid-up :		
35,545,225,622 Ordinary shares of 50k each	17,773	17,773

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 millions of Naira	Bank September 2023	Bank December 2022
Balance, beginning of the period	17,773	17,773
Balance, end of the period	17,773	17,773

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

In millions of units	Group September 2023	Group December 2022
Balance, beginning of the period	35,545	35,545
Balance, end of the period	35,545	35,545

B Share premium

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

In millions of Naira	Group September 2023	Group December 2022
Balance, beginning of the period	234,039	234,039
Balance, end of the period	234,039	234,039

C (i) Additional Tier 1 Capital

The Bank issued a U.S.$500,000,000 Perpetual Fixed Rate Resettable Non callable prior to 5.25 periods Additional Tier 1 (AT1) Subordinated Notes under its U.S.$1,500,000,000 Global Medium Term Note Programme listed on the London Stock Exchange.

The principal terms of the issue are described below:

1) The AT1 security will rank in claim behind all present and future Senior Obligation; pari passu without any preference among themselves with all present and future parity obligations and in priority to all payments in respect of all present and future Junior Obligations

2) The AT1 security is undated and are redeemable, at the option of Access Bank PLC in whole at (i)any time from 7 October 2026 up to and including the First Reset Date of January 7, 2027 and (ii)every Interest Payment Date thereafter (Issuer Call Date). In addition,the AT1 security is redeemable, at the option of the Bank, in whole in the event of certain changes in the tax or regulatory treatment of the securities

3) AT1 security will bear a fixed rate of interest of 9.125 percent until the initial call date or the initial reset date, as the case may be. After the initial call date or the initial reset date, as the case may be, in the event that they are not redeemed, the AT1 security will bear interest at a rate per annum equal to the aggregate of (i) the Reset Margin of 8.07 per cent. per annum and (ii) the then prevailing U.S. Treasury Rate

4) Interest on the AT1 security will be due and payable only at the sole discretion of the Bank, and it has sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. Interest on the Notes will be payable semi-annually in arrears commencing on 7 July 2022

C (ii) Mandatory Convertible Notes

On the 29 March 2023, the Bank issued a $300Mn Additional Tier 1 (AT1) capital through a mandatory convertible note to Access Holdings.
The principal terms of the additional tier 1 security are as follows:

• The AT1 security will rank in claim behind all present and future Senior Obligation; pari passu without any preference among themselves with all present and future parity obligations and in priority to all payments in respect of all present and future Junior Obligations.

• The AT 1 security will bear a fixed interest rate of 15% per annum and shall be payable to the Subscriber on in two equal semi-annual installments, in US Dollars net of any fees and taxes. The Issuer (Access Bank Plc) shall have full discretion at all times to vary, cancel, or postpone the Interest payments.

• The AT 1 security is undated and convertible (i) on the date falling 8 (eight) years(29 March 2031) after the Closing Date being the Conversion Date but shall be converted at the discretion of the Issuer (Access Bank Plc), subject to the approval of the CBN, into ordinary shares of the Company. (ii) a trigger event where the tier 1 capital of the Bank (inclusive of the Notes), is below the requirements of the Central Bank of Nigeria.

• The subscriber shall mandatorily deliver a conversion notice to the issuer(Access Bank Plc) seeking to convert the Notes but the ultimate conversion right is retained with the issuer (Access Bank Plc).

In millions of Naira	Initial call date	Bank September 2023	Bank December 2022
U.S.$500,000,000 Perpetual Fixed Rate Resettable NC 5.25 Additional Tier 1 Subordinated Notes	2026	206,355	206,355
U.S.$300,000,000 Non cumulative Fixed Rate Resettable NC 8 Mandatory convertible Preference shares	2031	138,675	-
Balance, end of the period		345,030	206,355

D Retained earnings

	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Retained earnings	532,515	409,653	371,387	321,181

E Other components of equity

	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Other regulatory reserves (see i(a) below)	183,587	158,305	152,047	136,767
Share Scheme reserve	-	3,514	-	2,674
Treasury Shares	-	(11,228)	-	-
Capital Reserve	3,489	3,489	3,489	3,489
Fair value reserve	22,991	78,959	(11,690)	70,053
Foreign currency translation reserve	306,308	33,083	-	-
Regulatory risk reserve	98,169	78,556	95,906	76,336
	614,544	344,676	239,753	289,319

(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	
	September 2023	December 2022	September 2023	December 2022	September 2023	December 2022
Group						
In millions of Naira						
Opening	157,479	135,902	827	827	158,306	136,728
Transfers during the period	25,283	21,577	-	-	25,283	21,577
Closing	182,762	157,479	827	827	183,589	158,306
Bank						
In millions of Naira						
Opening	135,939	110,940	827	827	136,766	111,767
Transfers during the period	15,281	24,999	-	-	15,281	24,999
Closing	151,221	135,939	827	827	152,047	136,766

(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.

F Non-controlling interest

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

	Group September 2023	Group December 2022
In millions of Naira		
Access Bank, Gambia	1,319	546
Access Bank, Sierra Leone	107	31
Access Bank Zambia	8,163	4,846
Access Bank, Rwanda	2,560	1,289
Access Bank, Congo	11	9
Access Bank, Ghana	9,732	(1,629)
Access Bank, Mozambique	9	6
Access Bank, Kenya	2	2
Access Bank, South Africa	1,002	523
Access Bank, Botswana	17,527	8,773
Access Bank, Cameroon	168	-
Access Bank, Angola		
	40,600	**14,398**

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

	Group September 2023	Group September 2022
In millions of Naira		
Access Bank, Gambia	102	65
Access Bank, Sierra Leone	13	12
Access Bank Zambia	713	478
Access Bank, Rwanda	224	125
Access Bank, Congo	1	2
Access Bank, Ghana	1,830	2,091
Access Bank, Mozambique	(0)	0
Access Bank, Kenya	(0)	0
Access Bank, South Africa	(76)	(470)
Access Bank, Botswana	293	437
Access Bank, Cameroon	-	-
Access Bank, Angola	0	-
	3,100	**2,740**

	Group September 2023	Group December 2022
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12.00%	12.00%
Access Bank, Sierra Leone	0.81%	0.81%
Access Bank Zambia	19.02%	19.02%
Access Bank, Rwanda	8.78%	8.78%
Access Bank Congo	0.02%	0.02%
Access Bank, Ghana	6.60%	6.60%
Access Bank, Mozambique	0.02%	0.02%
Access Bank, Kenya	0.02%	0.02%
Access Bank, South Africa	2.11%	4.80%
Access Bank, Botswana	21.85%	21.85%
Access Bank, Cameroon	0%	0%
Access Bank, Angola	0.20%	0%

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. N3.38Bn provision has been made as at 30 September 2023.

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 millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Contingent liabilities:				
Transaction related bonds and guarantees	724,259	693,915	744,175	618,742
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	1,615,505	842,563	1,323,816	606,878
Swap and forward contracts	-	-	-	-
	2,339,763	**1,536,476**	**2,067,991**	**1,225,621**

40 Reconciliation to the Cash and cash equivalents

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

In millions of Naira	Group September 2023	Group December 2022	Bank September 2023	Bank December 2022
Cash on hand and balances with banks	1,341,932	1,016,519	959,700	731,135
Unrestricted balances with central banks	320,531	186,533	74,238	89,148
Money market placements	184,530	152,681	34,883	24,668
Investment under management	-	-	-	-
Treasury bills with original maturity of less than 90 days	440,433	539,198	440,433	539,198
	2,287,429	**1,894,934**	**1,509,257**	**1,384,151**

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 September 2023	Bank September 2023	Group September 2023	Bank September 2023
Net debt	307,253	303,297	1,385,587	1,286,869
Acquired from business combinations	-	-	-	-
Proceeds from interest bearing borrowings	-	-	112,427	7,995
Repayment of interest bearing borrowings	-	-	(607,615)	(572,861)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	307,253	303,297	890,399	722,004
The effect of changes in foreign exchange rates	161,355	159,728	435,372	430,734
Other changes				
Interest expense	20,845	20,576	53,071	48,989
Interest paid	(11,369)	(11,196)	(56,001)	(54,572)
Balance	**478,083**	**472,406**	**1,322,842**	**1,147,155**

	Debt securities issued		Interest bearing borrowings	
	Group December 2022	Bank December 2022	Group December 2022	Bank December 2022
Net debt	264,495	260,644	1,171,260	1,072,436
Proceeds from interest bearing borrowings	-	-	678,377	612,579
Arising from business combination	-	-	-	-
Repayment of interest bearing borrowings	-	-	(509,479)	(446,598)
Debt securities issued	21,887	21,887	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	286,382	282,531	1,340,158	1,238,416
The effect of changes in foreign exchange rates	18,852	18,976	41,693	44,095
Other changes				
Interest expense	22,816	22,393	51,900	47,220
Interest paid	(20,797)	(20,603)	(48,164)	(42,861)
Balance	**307,253**	**303,297**	**1,385,587**	**1,286,870**

(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

44 Business Combination

(a) 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. The bargain purchase has been computed by comparing the fair value of the net asset of former Grobank to the present value of the cash consideration paid for the acquisition.

In millions of Naira	**Bank** **April 2021**
Considerations:	
Cash payment	11,412
Total Consideration	**11,412**
Fair value of NCI (non-controlling interests) at acquisiton	1,329
Fair Value of Net assets/ (liabilities) acquired from business combination (see note 44 (f) below)	
	13,771
Fair value adjustment	-
Bargain Purchase	**(1,030)**

The fair value of the net assets/(liabilities) acquired include:

		Group **April 2021**
(b)	**Assets**	
	Cash and balances with banks	34,738
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	-
	Loans and advances to customers	49,302
	Investment securities	8,007
	Investment properties	-
	Other assets	-
	Investment in subsidiaries	-
	Investment in associates	-
	Property and equipment	288
	Intangible assets	1,682
	Deferred tax assets	-
		94,017
	Asset classified as held for sale and discontinued operations	-
	Total assets	**94,017**
	Liabilities	
	Deposits from financial institutions	3,516
	Deposits from customers	70,230
	Derivative Liabilities	90
	Current tax liabilities	-
	Other liabilities	6,410
	Deferred tax liabilities	-
	Debt securities issued	-
	Interest-bearing borrowings	-
		80,247
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**80,247**
	Net assets/ (liabilities)	**13,770**
	Non controlling interest	1,329
	Owners of the Bank equity	**12,441**

(c) 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 millions of Naira	**Bank** **January 2021**
Considerations:	
Cash payment	-
Total Consideration	-
Net assets/ (liabilities) acquired from business	1,454
Fair value adjustment	-
Bargain Purchase	**(1,454)**

The fair value of the net assets/(liabilities) acquired include:

	Bank **January 2021**
(d) Assets	
Cash and balances with banks	9,582
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-
Loans to banks	-
Loans and advances to customers	12,963
Investment securities	10,457
Investment properties	-
Other assets	1,846
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	793
Intangible assets	-
Deferred tax assets	-
	35,640
Asset classified as held for sale and discontinued operations	-
Total assets	**35,640**
Liabilities	
Deposits from financial institutions	10,302
Deposits from customers	22,813
Derivative Liabilities	-
Current tax liabilities	-
Other liabilities	1,070
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	34,185
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**34,185**
Net assets/ (liabilities)	**1,454**
Non controlling interest	-
Owners of the Bank equity	**1,454**

(e) 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 periods. 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 bargain purchase has been computed by comparing the fair value of the net asset of former BancABC to the present value of the cash consideration paid for the acquisition.

In millions of Naira	Bank May 2021
Considerations:	
Cash payment	5,171
Consideration deferred	3,645
Total Consideration	**8,817**
Net assets/ (liabilities) acquired from business	9,071
Fair value adjustment	-
Adjusted Net assets/(liabilities) acquired from business combination (see note 44 (h) below)	9,071
Bargain Purchase	**(254)**

The fair value of the net assets/(liabilities) acquired include:

		Bank May 2021
(f)	**Assets**	
	Cash and balances with banks	19,195
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	19,638
	Loans and advances to customers	37,517
	Investment securities	8,607
	Investment properties	2,567
	Other assets	2,122
	Investment in subsidiaries	-
	Investment in associates	-
	Property and equipment	3,350
	Intangible assets	171
	Deferred tax assets	1,838
		95,005
	Asset classified as held for sale and discontinued operations	-
	Total assets	**95,005**
	Liabilities	
	Deposits from financial institutions	765
	Deposits from customers	79,068
	Derivative Liabilities	-
	Current tax liabilities	-
	Other liabilities	3,338
	Deferred tax liabilities	-
	Debt securities issued	-
	Interest-bearing borrowings	2,763
		85,934
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**85,934**
	Net assets/ (liabilities)	**9,071**
	Non controlling interest	-
	Owners of the Bank equity	**9,071**

(g) Business Combination with ABC Botswana

Access Bank Plc recently acquired BancABC Bank in Botswana with effect from 7th OCtober 2021. The acquisition involved the Bank acquiring 78.15% issued share capital of BancABC in exchange for cash of N34,341,408,120 (Thirty four billion, three hundred and forty one million, four hundred and eight thousand, one hundred and twenty naira) used to pay off the shareholders of former BancABC.

The consideration for the acquisition comprises of (i) an upfront cash consideration payment of N22,699,050,000 (Twenty two billion, six hundred and ninety-nine million and fifty thousand Naira) (ii) a second tranche payment of N11,642,358,120 (Eleven billion, six hundred and forty-two million, three hundred and fifty-eight thousand, one hundred and twenty naira) to be made to shareholders in April, 2022. The goodwill has been computed by comparing the fair value of the net asset of former BancABC to the present value of the cash consideration paid and payable for the acquisition. The goodwill computation is provisional at the time of this report.

In millions of Naira	**Bank** **October 2021**
Considerations:	
Cash payment	22,699
Consideration payable at a future date	11,412
Total Consideration	**34,111**
Net assets/ (liabilities) acquired from business combination (see note 44 (j) below)	33,146
Fair value adjustment	-
Adjusted Net assets/(liabilities) acquired from business combination (see note 44 (j) below)	33,146
Goodwill	**965**

The fair value of the net assets/(liabilities) acquired include:

(h)

	Bank **October 2021**
Assets	
Cash and balances with banks	34,830
Non pledged trading assets	-
Derivative financial assets	2,414
Pledged assets	-
Loans to banks	-
Loans and advances to customers	231,423
Investment securities	18,669
Investment properties	-
Other assets	2,931
Investment in subsidiaries	19,643
Investment in associates	-
Property and equipment	3,882
Intangible assets	2,944
Current tax assets	580
Deferred tax assets	1,161
	318,477
Asset classified as held for sale and discontinued operations	-
Total assets	**318,477**
Liabilities	
Deposits from financial institutions	7,068
Deposits from customers	235,731
Derivative Liabilities	2,337
Current tax liabilities	-
Other liabilities	5,606
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	25,321
	276,063
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**276,063**
Net assets/ (liabilities)	**42,414**
Non controlling interest	9,267
Owners of the Bank equity	**33,146**

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 period of more than 12months."

The Bank's principal exposure to all its directors as at 30 September 2023 is N975Mn. 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 N'millions	Status	Nature of security
1	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	195	Performing	Cash collateral
2	Paul and Mfon Usoro	Non-executive director	Mr Paul Usoro	Credit Card	8	Performing	Cash collateral
3	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Overdraft	4	Performing	Cash collateral
4	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Credit Card	6	Performing	Cash collateral
5	Ajoritsedere Josephi Awosika	Non-executive director	Ajoritsedere Awosika	Credit Card	-	Performing	Cash collateral
6	Herbert Wigwe	Non-executive director	Herbert Wigwe	Mortgage	250	Performing	Legal Mortgage
7	Herbert Wigwe	Non-executive director	Herbert Wigwe	Credit Card	512	Performing	Cash Collateral
8	Herbert Wigwe	Non-executive director	Herbert Wigwe	Credit Card	-	Performing	Cash Collateral
9	Herbert Wigwe	Non-executive director	Herbert Wigwe	Overdraft	-	Performing	Cash Collateral
	Balance, end of period				**975**		

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Value Added Statement

In millions of Naira

	Group September 2023	%	Group September 2022	%
Gross earnings	1,583,670		905,731	
Interest expense				
Foreign	(68,963)		(68,963)	
Local	(502,487)		(171,150)	
	1,012,221		665,617	
Net impairment loss on financial assets	(50,102)		(49,116)	
Net impairment loss on non financial assets	(11,723)		(3,838)	
Bought-in-materials and services				
Foreign	(35,746)		(35,465)	
Local	(377,177)		(255,667)	
Value added	**537,472**		**321,531**	
Distribution of Value Added				
To Employees:				
Employees costs	112,747	21%	88,640	28%
To government				
Government as taxes	43,398	8%	10,289	3%
To providers of finance				
Interest on borrowings	73,916	14%	51,336	16%
Dividend to shareholders	47,275	9%	34,344	11%
Retained in business:				
For replacement of property and equipment and intangible assets	42,057	8%	32,724	10%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	218,080	41%	104,197	32%
	537,473	**100%**	**321,531**	**100%**

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Value Added Statement

In millions of Naira	Bank September 2023	%	Bank September 2022	%
Gross earnings	1,255,366		722,433	
Interest expense				
Foreign	(66,223)		(32,213)	
Local	(425,538)		(168,024)	
	763,604		522,196	
Net impairment (loss) on financial assets	(44,913)		(44,677)	
Net impairment loss on other financial assets	(11,693)		(3,827)	
Bought-in-materials and services				
Foreign	(28,472)		(18,997)	
Local	(326,259)		(231,214)	
Value added	**352,267**		**223,481**	
Distribution of Value Added				
To Employees:				
Employees costs	59,926	17%	56,804	25%
To government				
Government as taxes	13,831	4%	1,284	1%
To providers of finance				
Interest on borrowings	69,566	20%	47,730	21%
Dividend to shareholders	47,275	13%	24,882	11%
Retained in business:				
For replacement of property and equipment	29,392	8%	25,000	11%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	132,278	38%	67,783	30%
	352,267	**100%**	**223,483**	**100%**

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Other financial Information
Five-year Financial Summary

	September 2023	December 2022	December 2021	December 2020	December 2019
Group					
In millions of Naira	**N'millions**	**N'millions**	**N'millions**	**N'millions**	**N'millions**
Assets					
Cash and balances with banks	3,053,175	1,961,100	1,487,665	723,873	723,064
Investment under management	5,826	3,742	34,942	30,451	28,292
Non pledged trading assets	208,306	102,690	892,508	207,952	129,819
Pledged assets	1,327,512	1,265,279	344,537	228,546	605,556
Derivative financial instruments	1,629,942	402,497	171,332	251,113	143,521
Loans and advances to banks	758,787	455,710	284,548	392,821	152,825
Loans and advances to customers	6,702,325	5,100,807	4,161,364	3,218,107	2,911,580
Current tax assets	-	-	-	-	-
Investment securities	4,018,388	2,761,070	2,270,338	1,749,549	1,084,604
Investment properties	217	217	217	217	927
Other assets	2,986,329	2,487,691	1,707,290	1,548,891	1,055,510
Investment in associates	7,892	7,510	2,641	-	-
Investment in subsidiary	-	-	-	-	-
Property and equipment	350,588	293,152	247,734	226,479	211,214
Intangible assets	105,855	73,782	70,332	69,190	62,480
Deferred tax assets	31,106	15,023	13,781	4,240	8,808
Assets classified as held for sale	70,875	42,039	42,737	28,318	24,958
Total assets	21,257,123	14,972,310	11,731,965	8,679,748	7,143,157
Liabilities					
Deposits from financial institutions	3,425,202	2,005,316	1,696,521	958,397	1,186,356
Deposits from customers	12,746,373	9,251,238	6,954,827	5,587,418	4,255,837
Derivative financial instruments	385,704	32,737	13,953	20,881	6,886
Current tax liabilities	15,362	4,501	4,643	2,160	3,531
Other liabilities	1,088,203	753,875	560,709	379,417	324,334
Deferred tax liabilities	7,035	1,796	11,652	14,877	11,273
Debt securities issued	478,083	307,253	264,495	169,160	157,988
Interest-bearing borrowings	1,322,842	1,385,424	1,171,260	791,455	586,603
Retirement benefit obligations	3,819	3,277	3,877	4,941	3,609
Total liabilities	19,472,621	13,745,417	10,681,936	7,928,706	6,536,417
Equity					
Share capital and share premium	251,811	251,811	251,811	251,811	251,811
Additional Tier 1 Capital	345,030	206,355	206,355	-	-
Retained earnings	532,515	409,653	397,273	252,397	221,666
Other components of equity	614,544	344,677	171,113	239,494	124,734
Non controlling interest	40,600	14,395	23,477	7,339	8,529
Total equity	1,784,500	1,226,892	1,050,029	751,041	606,740
Total liabilities and Equity	21,257,123	14,972,310	11,731,965	8,679,748	7,143,157
Gross earnings	1,583,670	1,382,773	971,885	764,717	666,754
Profit before income tax	308,753	170,402	176,701	125,922	111,926
Profit from continuing operations	265,355	155,873	160,216	106,010	94,057
Profit for the period	265,355	155,873	160,216	106,010	94,057
Non controlling interest	3,100	(665)	1,888	1,327	1,008
Profit attributable to equity holders	262,255	156,539	158,328	104,683	93,049
Dividend declared	0k	1.60k	100k	80k	65k
Earning per share - Basic	738k	453k	459k	300k	173k
- Adjusted	737k	436k	445k	294k	169k
Number of ordinary shares of 50k	35,545,225,622	35,545,225,622	35,545,225,622	35,545,225,622	35,545,225,622

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Other financial Information
Five-year Financial Summary

Bank	**September 2023**	**December 2022**	**December 2021**	**December 2020**	**December 2019**
In millions of Naira	**N'millions**	**N'millions**	**N'millions**	**N'millions**	**N'millions**
Assets					
Cash and balances with banks	2,265,911	1,445,659	1,068,976	589,812	575,906
Investment under management	5,826	3,742	34,942	30,451	28,292
Non pledged trading assets	163,617	77,624	803,806	110,283	76,972
Pledged assets	1,327,512	1,265,279	344,537	228,546	605,556
Derivative financial instruments	1,613,722	399,058	161,439	244,564	143,480
Loans and advances to banks	522,208	322,610	322,259	231,788	164,413
Loans and advances to customers	4,704,904	4,084,352	3,256,073	2,818,876	2,481,624
Current tax assets	-	-	-	-	-
Investment securities	2,741,833	1,946,560	1,553,458	1,428,040	813,707
Other assets	2,679,169	2,346,050	1,601,379	1,490,633	1,004,310
Investment properties	217	217	217	217	727
Investment in associates	6,904	6,904	2,548	-	-
Investment in subsidiary	399,327	283,045	215,775	164,252	131,459
Property and equipment	266,297	245,070	194,071	191,893	188,634
Intangible assets	65,330	59,365	58,734	67,496	67,551
Deferred tax assets	1,237	7,707	-	-	-
Assets classified as held for sale	70,875	42,038	42,547	28,128	24,958
Total assets	16,834,890	12,535,279	9,660,761	7,624,980	6,307,588
Liabilities					
Deposits from banks	3,139,300	1,637,318	1,422,707	831,632	1,079,284
Deposits from customers	9,548,594	7,530,062	5,517,069	4,832,744	3,668,340
Derivative financial instruments	379,807	31,072	9,943	20,776	6,827
Debt securities issued	472,406	303,297	260,644	169,160	157,988
Current tax liabilities	7,262	7,556	3,132	2,547	1,409
Other liabilities	928,627	667,195	495,161	342,460	302,262
Retirement benefit obligations	3,759	3,244	3,846	4,584	3,418
Interest-bearing borrowings	1,147,155	1,286,869	1,072,435	755,254	544,064
Deferred tax liabilities	-	-	4,374	11,926	4,507
Total liabilities	15,626,910	11,466,613	8,789,310	6,971,084	5,768,100
Equity					
Share capital and share premium	251,811	251,810	251,811	251,811	251,811
Additional Tier 1 Capital	345,030	206,355	206,355	-	-
Retained earnings	371,387	321,181	304,778	206,896	188,926
Other components of equity	239,753	289,319	108,506	195,188	98,751
Total equity	1,207,981	1,068,665	871,450	653,896	539,488
Total liabilities and Equity	16,834,890	12,535,279	9,660,761	7,624,980	6,307,588
Gross earnings	1,255,366	1,125,012	734,283	634,864	576,348
Profit before income tax	193,383	162,709	106,483	90,196	79,214
Profit for the period	179,551	166,658	111,326	80,039	70,116
Dividend declared	0k	1.60k	100k	80k	65k
Earning per share - Basic	506k	469k	314k	225k	207K
- Adjusted	506k	469k	314k	225k	207K
Number of ordinary shares of 50k	35,545,225,622	35,545,225,622	35,545,225,622	35,545,225,622	35,545,225,622