MERGING
CAPABILITIES FOR SUSTAINABLE GROWTH

2019
ANNUAL REPORT
& ACCOUNTS


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MERGING CAPABILITIES
FOR SUSTAINABLE GROWTH

CONTENTS//

WELCOME

The year 2019 saw Access Bank complete a landmark business combination with the defunct Diamond Bank Plc in record time. The consummation of the deal has undoubtedly made the Bank the largest bank in Nigeria by total assets and customer base. The transaction was the combination of Diamond Bank's capabilities in the retail and digital space and Access Bank's established dominance in the corporate banking, risk management and best practice corporate governance.

This report is an acknowledgment of the Bank's gradual phase of dominance in Africa's banking landscape; the synergy we have found within the larger institution, the barriers we have knocked down and the opportunities we have built up. But more than that, this is about the success that we have witnessed across all our business lines.

We seek to create sustainable value by developing the opportunities embedded in our operations which represent the most attractive options. This is in addition to our existing commitment to sustainable business practices and demonstration of our ability to re-engineer the face of Africa by engaging in transactions, processes and partnerships that enable future generations to meet their needs.

The future is bright. Access Bank is stronger than ever before and ready to push the limits.

We are on a steady journey to becoming Africa's Gateway to the World.

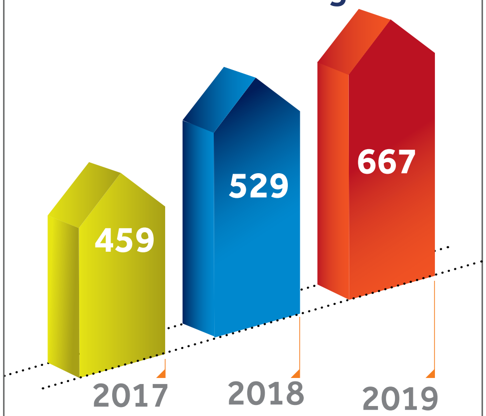
access

01 OVERVIEW

A brief review of Access Bank's Financial and Operational Achievements in the past year

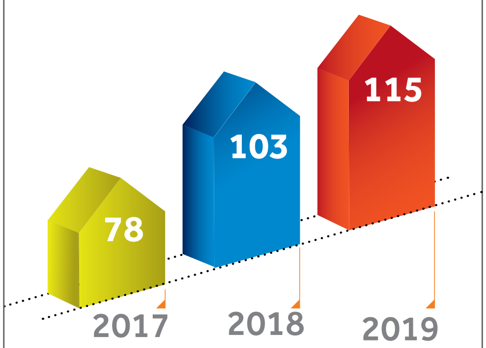
BUSINESS AND FINANCIAL HIGHLIGHTS

Gross Earnings



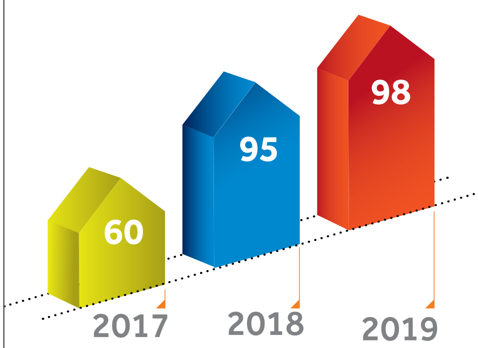
26.1% ₦'billion

Profit Before Tax

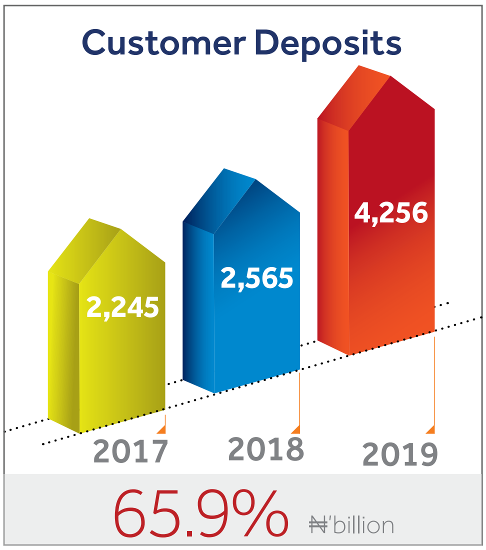


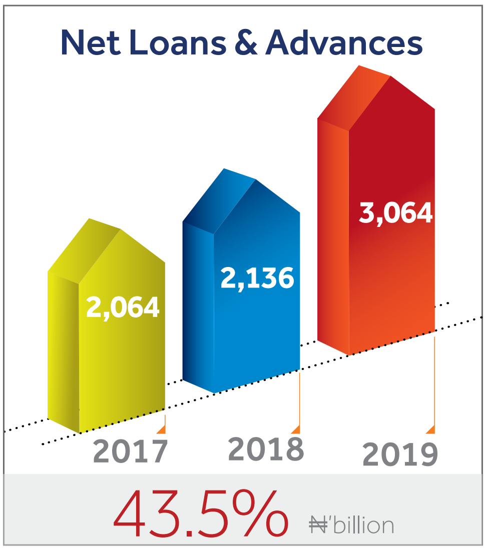
11.8% ₦'billion

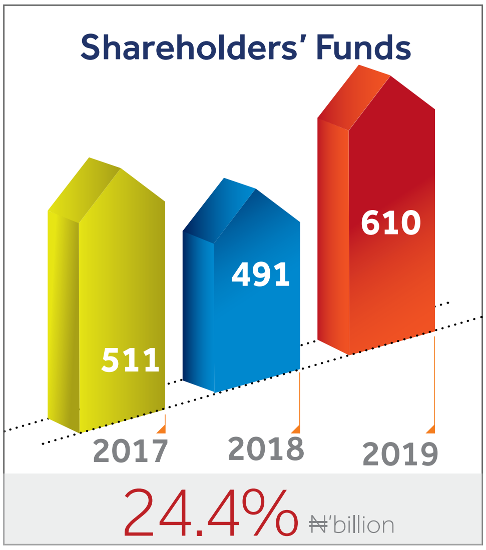
Profit After Tax

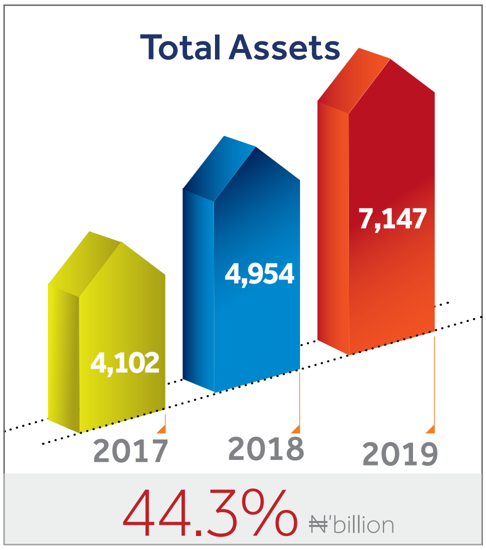


2.7% ₦'billion



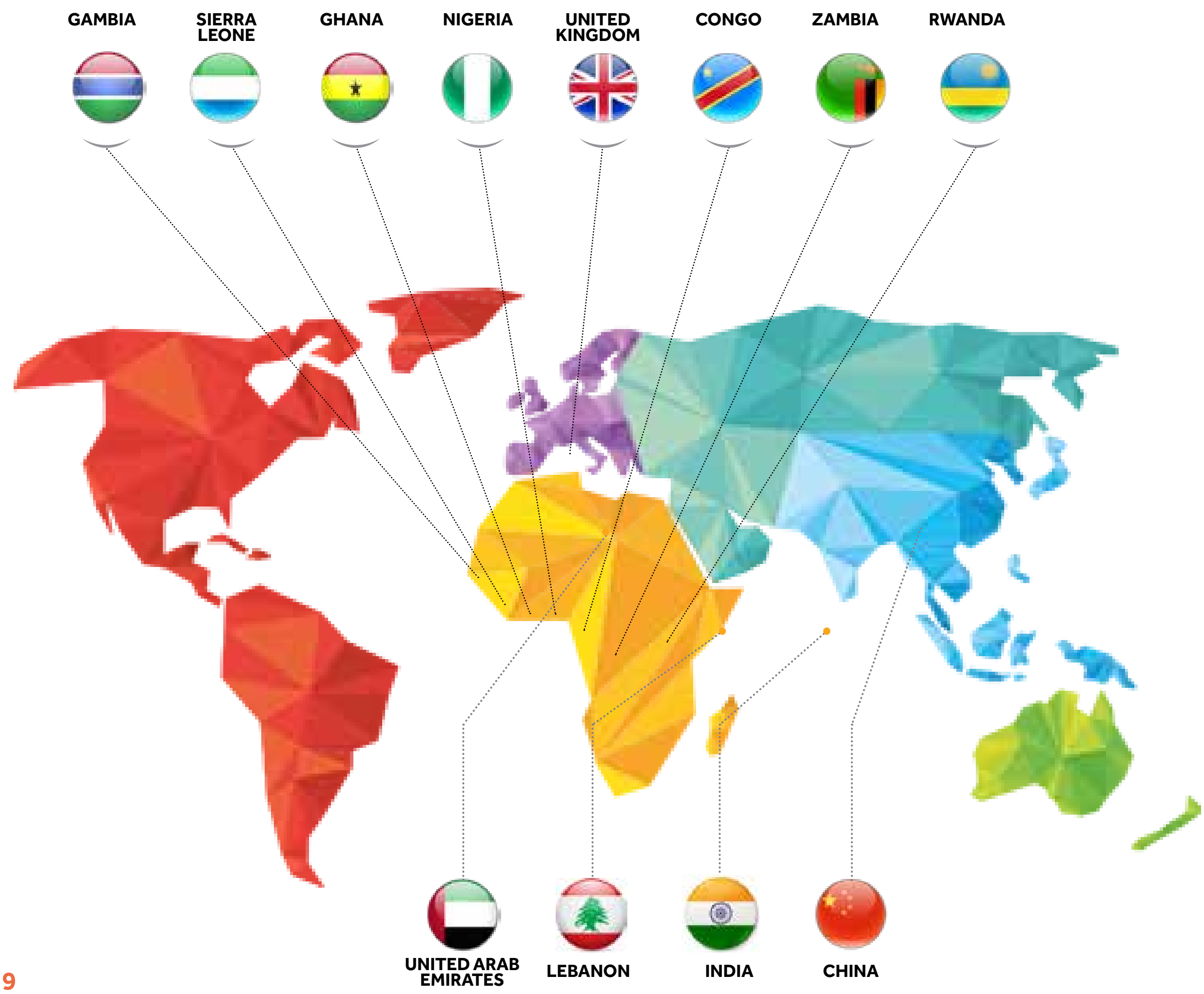






In thousands of Naira	2019	2018	2017
Gross Earnings	666,753,600	528,744,579	459,075,779
Profit Before Tax	115,378,579	103,187,703	78,169,119
Profit After Tax	97,509,659	94,981,086	60,087,491
Customer Deposit	4,255,837,303	2,564,908,384	2,244,879,075
Net Loans And Advances	3,064,404,788	2,136,095,776	2,064,101,703
Shareholders Funds	610,192,896	490,511,755	511,195,037
Total Assets	**7,146,610,142**	**4,954,156,938**	**4,102,242,823**

LOCATIONS AND OFFICES



We are a leading financial institution headquartered in Nigeria, driven by strong core values through which we have continuously delivered solid and consistent performance. We are in business to help our growing customer base build a sustainable future by offering bespoke products and solutions delivered by a skilled workforce across Sub-Saharan Africa, United Kingdom, the Middle East and Asia.

The Bank is licensed to provide international banking services and is renowned for its comprehensive range of financial product offerings. The key business segments of the Bank are: Corporate and Investment Banking, Commercial Banking, Business Banking and Personal Banking. The key customer segments include: Telecommunications, Beverages, Manufacturing, Construction, Oil & Gas, Parastatals, High Networth Individuals, Middle Income Professionals, and financial inclusion customers.

We are proud of our ability to add value to clients and to leverage our unique value proposition to provide innovative and proactive solutions across entire economic value chains. In deploying products and services, the Bank adheres to responsible business practices and readily commits resources to social investments in fulfillment of its corporate social responsibility objectives.

We are located in all major commercial centres and cities across Nigeria. We operate 7 subsidiaries within West Africa, East Africa and the United Kingdom. The Bank also has representative offices in the Republic of China, Lebanon, United Arab Emirates and India.

United Kingdom	Number of Branches:	2
Ghana	Number of Branches:	52
China	Rep. Office:	1
Nigeria	Number of Branches:	583
United Arab Emirates	Rep. Office:	1
Lebanon	Rep. Office:	1
India	Rep. Office:	1
Zambia	Number of Branches:	8
Democratic Republic of Congo	Number of Branches:	5
Gambia	Number of Branches:	6
Sierra Leone	Number of Branches:	4
Rwanda	Number of Branches:	8

CHAIRMAN'S STATEMENT

MOSUN
BELO-OLUSOGA, FCA
CHAIRMAN

Access Bank is poised for sustainable growth on the back of its newly attained position in the Nigerian Banking Industry. We remain extremely committed to optimizing value for all our stakeholders.

This, we will achieve by focusing on delivering superior and sustainable financial performance whilst making the right investments essential to delight our stakeholders and enhance customer loyalty.

Overview

Our Bank has made significant progress in accomplishing its strategic objectives despite the challenging economic and regulatory landscape. Access Bank is poised for sustainable growth on the back of its newly attained position in the Nigerian Banking industry. We remain extremely committed to optimizing value for all our stakeholders. This, we will achieve by focusing on delivering superior and sustainable financial performance whilst making the right investments essential to delight all our stakeholders and enhance customer loyalty.

In 2019, global growth slowed down amidst growing tensions between the United States and China on trade and technology. Growing trade barriers and their associated uncertainties have led to drags on business sentiments and activities globally. Financial flows have remained largely subdued, on the back of the decline in foreign direct investment flows following the tax reform in the United States. The lethargy in economic activities is even more evident across emerging and developing markets despite modest growth in the first half of 2019. In addition, capital flows to emerging market economies reflected the shift in investor sentiment with a resultant reduction in equities exposure.

On the domestic front, it was quite a challenging year due to macro-economic factors. Although Nigeria's general elections which held in first quarter of 2019 were considered relatively peaceful, business conditions in the first half of the year were largely lacklustre regardless of the slightly relaxed monetary policy stance which saw the Monetary Policy Rate (MPR) drop to 13.5% from 14% in the first quarter of the year. On the other hand, other measures were taken, such as introduction of minimum Loan to Deposit Ratio of 60% which was eventually revised to 65% with effect from December 2019.

At the end of the year, we saw interest rate environment moderate following the Central Bank of Nigeria's exclusion of domestic investors from the Open Market Operation (OMO) market.

At the end of the year, inflation stood at 11.98% from 11.37% at the beginning of the year, the highest level since April 2018. This was largely attributed to the closure of Nigeria's land borders with neighbouring countries.

Notwithstanding the challenging market conditions, the Group delivered an outstanding performance, demonstrating an effective strategy backed by strong governance and exceptional people.

Merger with defunct Diamond Bank Plc.

As we are all aware, subsequent to the shareholders' approval on 5th of March 2019, the merger between Access Bank Plc and defunct Diamond Bank Plc, is now concluded. The combination of Diamond Bank's strong retail customer franchise and leading digital platform with Access Bank's corporate banking capabilities, proven risk management and capital management expertise has created a diversified financial institution with strong value creation potential.

The combination has birthed the largest bank in Nigeria by customer base and total assets and the largest in Africa by customer base. This is a testimony to the ability of the Bank to seamlessly execute its strategies. No doubt, a new vista is opened for the Bank by this strategic positioning as we continue to consolidate on this achievement and enhance our retail contribution to our profitability.

Performance and Dividend

The Group recorded a Profit Before Tax of ₦115.4 billion for the year as we continue to realise the synergies arising from the merger. Credit impairment increased by 38% owing to the need for us to write off some bad loans in order to maintain a healthy loan book. Similarly, we achieved a single digit Non-Performing Loans Ratio of 5.8% within the 9 months of our merger, from 10% post-merger.

We continue to create scale as our Total Assets and Deposits grew by 44% and 66% to close at ₦7.15trillion and ₦4.26trillion respectively. Our shareholders' equity also increased by 24% from ₦491 billion in 2018 to ₦610 billion in 2019. This is partly due to the 6billion units of scheme shares issued to defunct Diamond Bank's shareholders as part of the consideration for the merger, bringing the effective Return on Equity to 17%.

This is the third year of our current 5-year cyclical strategic plan and the effectiveness of the strategy has been reinforced by our 2019 results. Based on the results and in line with the Group's Dividend Policy the Board is pleased to propose a final dividend of 40 Kobo per ordinary share, which would result in a full year dividend of 65 Kobo per ordinary share.

The Board remains totally committed to delivering optimum returns to shareholders and we are unrelenting in our investments in value accretive initiatives that will enable us deliver improved performance in the coming years.

Building for the future

In the face of increased uncertainties linked to macro and political factors, the Nigerian economy is projected to grow at a slow pace. Although, we are unable to shape the external environment, there is still so much that we can do to continuously grow in a sustainable manner. The Board is committed to ensuring a complete transformation of the enterprise into a Bank that combines the best of traditional banking with the best innovation in digital and client-centricity, bearing in mind the key drivers shaping our business. This will enable us effectively exploit future unique opportunities, even in the face of the inevitable and rapid changes in the banking industry. These changes together with changing consumer behaviour continue to test our agility and the resilence of our business model.

Our overall objective remains to be a truly diversified retail bank that is global both in size and scope. Our wholesale, retail and overall payment services business will be anchored on a robust digital platform and all of these within the limits of our risk appetite.

Unwavering Commitment to Our Communities

As the Board works to create shared success with our shareholders, we are also committed to innovatively harnessing our resources and activating partnerships to fuel social and economic progress in the communities we serve. Access Bank is the sustainability leader in the markets we operate in by leveraging international best practices to champion innovative solutions for sustainable growth with the ultimate view to deliver optimal value to all stakeholders.

As part of our unwavering commitment to support communities, we champion various projects and initiatives dedicated to making a positive difference in communities. For instance, during the 2019 Access Bank Lagos City Marathon, the Bank facilitated the testing and counselling of athletes, providing them with HIV prevention messages, as well as referring positive cases to seek immediate medical attention at health facilities.

In addition to the Board's focus on sustainability is the buy-in of our employees to the Bank's sustainability drive. Since the commencement of our Employee Volunteering Scheme, all our employees have collectively volunteered a total of 2,735,011 hours, in over 320 strategic community initiatives across the 6 geo-political zones of Nigeria and other communities where we are present.

Strong Governance Culture

Given the vision of the Bank, a strong culture and robust governance framework remains essential for the Group to perform sustainably in the long term. As such, the Board continuously holds management accountable for the execution of the Board approved strategy. We have continued to strengthen governance practices and enhance our monitoring capabilities to ensure we serve the needs of the business, our customers and shareholders.

In our bid to strengthen the Bank's corporate governance regime and ensure compliance with the Financial Reporting Council of Nigeria's Code of Corporate Governance, the "Board Governance and Nomination Committee" and the "Board Remuneration Committee" were merged in December 2019 into "Board Governance, Nomination and Remuneration Committee". In addition, the Board Committee on Human Resources and Sustainability was created to oversee the Bank's human resources and sustainability activities.

During the year, we conducted 5 impactful training pro grammes covering all key governance drivers including finance, risk, and strategy. We continued our tradition of having an independent assessment of the Board's strengths and improvement opportunities in the year. Regular corporate governance returns were also filed with our regulators to ensure board accountability.

During the year, Dr Ernest Ndukwe an Independent Non-Executive Director gave notice of his resignation from the Board effective March 31, 2020 to enable him pursue other personal interests. I would like to commend him for his many years of dedication and contribution to the success of the Bank and wish him success in his future endeavours.

The Board appointed Dr. Okey Nwuke and Mrs. Ifeyinwa Osime as Non-Executive Director and Independent Non-Executive Director respectively. They were chosen based on their exceptional professional, academic and corporate board experiences, which are relevant to the needs of the Board as we prepare for the next phase of the Bank's transformation.

Dr. Okey Nwuke has over 28 years' experience in finance and corporate governance working with top corporates and leading commercial banks in Nigeria. Mrs. Ifeyinwa Osime, is a versatile and result oriented professional with over 30 years' experience in the insurance industry and commercial legal practice at management and board levels. We are convinced that they bring to the Board an array of skills that will add significant value to our quest to become Africa's Gateway to the World.

As you may be aware, I will be retiring from the Board come January 2020 following my completion of the maximum allowed tenure . However, I do not have any reservations as I am deeply proud of the organization's accomplishments over the years. The Bank has attained an enviable position and is equipped for the future and inevitable challenges, and is poised to deliver sustainable and stronger returns to shareholders.

Commitment to Human Capital Development

The Board strongly believes that business sustainability depends on performance of employees. It is our priority to enable our people to do their jobs to the best of their ability as they are essential to our present and future success. As such, we are committed to recruiting, retaining and developing exceptional talents, who are competitively rewarded.

I would like to express my gratitude to the Board, our ever committed management team and unrelenting staff for their contributions towards making Access Bank a formidable banking franchise on the continent.

Conclusion

The Board is grateful to our shareholders, who have stood by us through the years. With your support, we have built a best-in-class, sustainable institution reinforced by strong ethical and governance standards. We intend to uphold these standards as we progress further towards becoming the World's Most Respected African Bank

Since this is my last letter to you as Chairman, I would like to say that it has been a great honour for me to have served this great Bank and our shareholders, and I thank you for the great opportunity. As I bow out, I am confident that the Board has made the right choice in appointing Dr. (Mrs) Ajoritsedere Awosika MFR, as my successor. I believe she will be an excellent steward of the Board and the Bank at large. I therefore urge you to extend your valuable support to her. Thank you and God bless.

CHIEF EXECUTIVE'S REVIEW

HERBERT
WIGWE,
GROUP MANAGING DIRECTOR / CEO

I remain extremely proud of our institution, dedicated employees and supportive shareholders for a remarkable year.

It is truly, exceptional how much we have been able to achieve over the past decade, not just in terms of financial performance but the position we currently occupy in the African financial market.

This is our first annual accounts after the merger of Access Bank Plc and Diamond Bank Plc, two great financial institutions combining their wholesale and retail strengths to produce a strong and well-diversified institution. We are steadfast in our commitment to be Africa's Gateway to the World, whilst setting standards for sustainable business practices.

2019 represented a very significant period for Access Bank despite the very challenging operating environment. Macroeconomic indicators were fragile due to rising uncertainties as the Nigerian economy struggled amid pressures from post-elections anxiety, high unemployment rates, pressure on external reserves, and volatile oil price. The banking landscape was also characterised by some regulatory changes as the apex bank deployed several guidelines in a bid to promote financial inclusion, boost lending to the real sector and encourage Small and Medium Scale Enterprises in order to provide the necessary impetus for economic growth.

In the year, we had to take several decisive strategic measures to continue to expand our retail and digital offerings to enable us weather the macro uncertainties and regulatory pressures. This is evidenced by our performance which remained strong inspite of huge costs typical in the year of any merger.

We achieved strong business growth and acceleration of our retail strategy via the merger with Diamond Bank to solidify our position as a well-diversified African financial institution. Given this strategic positioning, the Bank continued to invest in its payment platforms towards ensuring greater economic development and providing financial access to millions of Africans through our remittance service- Access Africa.

In addition, we also made good strides in enhancing balance sheet efficiency, de-risking our loan portfolio while leveraging innovation and technology to expand our sources of cheaper funds. In all, we now have a franchise with more diversified and sustainable earnings.

Merger with Diamond Bank Plc

Having taken effect from March 19, 2019, following the court sanction subsequent to regulatory and shareholders' approvals, the merger with Diamond Bank produced a truly diversified institution with remarkable retail presence and solid wholesale market share. This has propelled us towards achieving our 5 year strategic objectives to create the largest bank in Nigeria by total assets as well as largest in Africa by customer base with over 36 million unique customers across the network.

Business Overview

Our businesses recorded increased profits by playing to our strengths in a challenging operating environment. The Group delivered a 26% increase in gross earnings of ₦666. 8billion from ₦528.7billion in 2018, comprising interest income growth of 41% from previous levels to ₦155.9billion despite declining interest rate environment. The effects of an enlarged loan book contributed significantly to the interest income growth of ₦155.9billion (+41% y/y), leading to strong bottom-line figures. The net effect on operating income resulted in strong profit before tax of ₦115.4billion as against ₦103.2billion in 2018.

The strength of the performance reflects a growing franchise supported by digital capabilities and improving customer service touchpoints. The retail business gained momentum, leveraging opportunities in key sectors to consolidate market share dominance through our digital loans. The wholesale business also continued to soar in the year, following intense marketing drive and continued investment in the sector to deliver stronger synergies.

Our strong asset metrics demonstrated our continued focus on maintaining a diversified and sound risk asset portfolio despite macro-led deterrents to lending during the period. Non-Performing Loans Ratio stood at 5.8% down 420bps from the post-merger levels in Q1, 2019 of 10%, whilst coverage remained adequate at 107%. We will continue to drive down the NPL Ratio to our traditional levels leveraging on our robust risk management framework. Capital and liquidity levels for the period also remained adequate and well above regulatory minimum requirements at 18.2% and 47.0% respectively, providing buffers as we continued to explore new market opportunities.

Subsidiary contributions to Group profits continued to lend credence to the success of our strategies as subsidiary PBT grew by 17%, with the United Kingdom and Ghana operations accounting for 93% of it. Subsidiary Loans and Deposits accounted for 15% and 14% of Group performance, respectively.

Delivering on Our Strategy

Using an agile approach and with strong dedication, we have achieved a significant milestone in financial services on the continent whilst delivering the fastest and most seamless customer Day 1 integration globally. With the emergence of the new entity, the Bank is well- positioned to cater to the retail business through a broader reach and product offerings tailored to individual customer needs and delivered efficiently.

The merger with Diamond Bank took effect from March 19, 2019, resulting in the establishment of Access Bank as a tier one retail banking franchise with strong digital payments capabilities and benefiting from a diversified business mix. Complete integration was concluded on October 19, 2019 when the IT systems of both banks were merged to provide our customers with more efficient and optimal levels of service.

This transformation, as with any major corporate feat, comes with a lot of cost, investment and vast amounts of time from the management team and the people who worked with them. However, the effort and investment were worth it to achieve the strategic position within the Nigerian banking industry as articulated in our strategy which is now starting to create attractive and sustainable returns to our shareholders.

An area where growth in the Bank's performance has unfortunately not been mirrored is in our share price, which remains below book value. As is common with all Nigerian banks, our share price reflected macroeconomic issues which have weighed heavily on investor sentiment. Notwithstanding that, it is our priority to drive a recovery on the back of our strong capital position and value accretive retail focus and realization of synergies that have been earmarked to accrue from the merger.

Having attained one of our key strategic priorities, we know that there is a significant gap in achieving our vision to be the World's Most Respected African Bank. As such, we are focused on closing this gap through the efficient expansion of our African footprint, leveraging on unrivalled technology platforms and outstanding customer experience.

Benefitting from the merits of the merger with respect to significant growth in revenue and profits, we will not lose sight of operating efficiency and return ratios. We are all together on this exciting journey and these measures will continue to be our priority, ensuring maximization of shareholder value as we deploy capital profitably.

Despite more challenging market conditions at the end of the year, we are committed to our ambition of being the Bank of choice in the markets we operate. We remain alert to the downside risks of the current economic and regulatory environment, especially those relating to the Nigerian economy and banking landscape. We will be proactive in managing costs and investment to mitigate the risks to revenue growth where necessary, but we will not take short-term decisions that harm the long-term interests of the business.

Financial Inclusion

We have been able to deliver strong customer growth through 2019, attracting about 500,000 new customers to the Bank every month. Almost half our customers came on board digitally, either by downloading a mobile application or by dialing a short-code on their phone to get an account instantly. This has enabled our customers become more time efficient and digitally savvy.

In the financial inclusion space, we have aggressively rolled out our Access CLOSA agency banking offering with 25,000 new agents live at the end of 2019. This allows customers to bank at a familiar location whilst carrying out shopping activity, opening accounts, making deposits and withdrawals and paying bills. We have also rolled out our BETA market women proposition where we placed dedicated agents in markets around the country. By the end of 2019 we added almost 100 new markets and grew by nearly 1million customers using BETA.

The year ahead promises to be an exciting one as we continue delivering on our retail strategy and consolidating our leadership position. We expect to see a continuation of digital transformation of banking, with more personalized and more lifestyle-based financial solutions coming into the market. Our leadership in technology and retail analytics will enable us serve customers digitally from the point of account opening, through to personal financial planning and account maintenance without ever needing to visit our branches.

Being Digitally Led

In 2019, we leveraged technologies like Advanced Analytics, Cloud Computing, Artificial Intelligence, Machine Learning and Robotics Process Automation to re-shape our business operations and drive performance in a scalable manner. This drive has accelerated growth in the number of customers we serve, increased revenue, increased operational efficiency, and improved the protection of the Bank's information assets. Some of the solutions deployed include: Access Africa, Payday Loan and WhatsApp Banking.

With over 36 million unique customers, we are committed to taking control of certain aspects of our business, by intensifying and accelerating our digitization drive and creating compelling solutions for our customers.

In the coming year, we plan to do the following:

- Redefine customer experience by focusing on mobile digital products that allow customers to customize products to their taste.
- Leverage analytics insights to drive sales, reduce churn and support strategic decision making.
- Upgrade branches to smart branches.
- Deepen partnerships with the Fintech ecosystem to realize innovative solutions for our customer base

Acknowledging probable downside risks of advancing our digital capabilities, we will continue to invest in our cyber resilience and security as we create an efficient and intelligent institution.

People and Culture

Access Bank has a strong and proud culture and we understand our purpose in serving others. We are constantly nurturing and preserving those aspects of our culture that serve us well whilst exhibiting flexibility to adapt and improve aspects that impede performance, particularly with the just concluded merger.

The accomplishments of the Bank in the period would not have been possible without the hard work and determination of our colleagues. The value our employees bring cannot be underestimated and of course, there is always more we can do to create an environment that is sufficiently supportive, protective and engaging. In line with this, we will continue to offer exciting and fulfilling career opportunities to our staff.

We will also recruit people with the appropriate skills and attitude and continue to reward performance that achieves our goals while providing best-in-class training and on the job experience as we strive to become a more diverse and inclusive organisation.

Strength in Sustainability

I am immensely proud of the continuing positive impact which Access Bank make in the communities we serve, ensuring affirmative economic, environmental and societal continuity. Driven by innovation and world-class talents, our corporate strategy and operations are fully embedded with sustainability and undergirded by the Sustainable Development Goals (SDGs). With a strong commitment to creating a sustainable future, we have over the last decade, worked with key stakeholders and partners across industries to develop strategic interventions and initiatives that facilitate sustainable growth.

At Access Bank, we are committed to supporting the growth and prosperity of our communities because we see ourselves as integral to those communities. We understand that our long-term business success is contingent on the stability of those communities. Hence, we continue to support various projects, organizations, and events focused on making a positive difference in the communities where we live and work.

We also recognize that a better and prosperous future is linked to the well-being and health of our planet. This is driving us to invest in innovative technologies and techniques that promote the efficient use of resources and address sustainability issues when managing risk. We are committed to a clean environment and the fight against climate change. In 2019, we significantly increased the number of solar powered branches and ATMs, whilst ensuring all our ATMs remained braille enabled. We also achieved a 5.5% increase in the amount of waste recycled at our recycling locations, thereby minimizing our impact on the environment.

Furthermore, the Bank successfully raised ₦15 billion (US$41 million) via a Green Bond issue from the local bond market to be deployed to eligible green projects. This issue positioned Access Bank as the first financial institution in Africa to issue a Climate Bond Initiative certified corporate Green Bond, further reinforcing the Bank's Sustainability leadership position. This says much about the culture of Access today, driven by a deep commitment to help customers, clients, and the wider society, to rise and succeed.

Our team efforts and hard work have earned us global recognition evident in the local and international awards won by the Bank for its strides and efforts in sustainability. In 2019, we emerged the 9th time consecutive winner of the World Finance awards, first African financial institution to win the Karlsruhe Sustainable Finance Awards for Outstanding Business Sustainability Achievement four times in a row and third time consecutive winner of all five Central Bank of Nigeria Sustainability awards including Most Sustainable Bank in Nigeria.

Conclusion

Finally, I want to thank our retiring Chairman, Mrs. Mosun Belo-Olusoga, for her tremendous contribution to the remarkable development of Access Bank over these past twelve years. We are privileged to have benefitted from her wealth of wisdom, her challenge, her courage to make tough calls, and her steadfast leadership. On behalf of my colleagues across the Bank, I would like to thank her for her stewardship and wish her and her family well following her retirement in January 2020.

02
BUSINESS REVIEW

An analysis of Access Bank's Business Divisions, Risk Management Frame-work, Our People, Culture & Diversity and Sustainability

CORPORATE PHILOSOPHY

Our Vision
To be the World's Most Respected African Bank.

Our Mission
Setting standards for sustainable business practices that unleash the talents of our employees, deliver superior value to our customers and provide innovative solutions for the markets and communities we serve.

Excellence

- Surpassing ordinary standards to be the best in all that we do
- Setting the standard for what it means to be exceptional
- Our approach is not that of excellence at all costs– it is excellence on all fronts, so that we deliver outcomes that are economically, environmentally and socially responsible

Innovation

- Pioneering new ways of doing things, new products and services, new approaches to customers
- Being first, testing the waters and pushing boundaries
- Anticipating and responding quickly to market needs with the right technology, products and services to achieve customer objectives

Leadership

- Leading by example, leading with guts
- Being first, being the best and sometimes being the only
- Challenging the status quo

Passion for Customers

- Doing more than just delivering excellent customer service
- Helping people to clearly understand how our products and services work
- Treating customers fairly. Building long-term relationships based on trust, fairness and transparency.

Professionalism

- Putting our best foot forward in everything we do, especially in high pressure situations
- Consistently bringing the best of our knowledge and expertise to the table in all our interactions with our stakeholders
- Setting the highest standards in our work ethics, behaviours, activities and in the way we treat our customers and, just as importantly, one another

Empowered Employees

- Based on shared values and vision
- Developing our people to become world-class professionals
- Encouraging a sense of ownership at individual levels, whilst fostering team spirit and commitment to a shared vision

REPORTS OF THE EXTERNAL CONSULTANT ON BOARD PERFORMANCE EVALUATION

Building a better working world

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We have performed the evaluation of the Board of Access Bank Plc for the year ended 31st December, 2019 in accordance with the guidelines of Section 2.8.3 of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014.

The Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014 mandates an annual appraisal of the Board and individual Directors of Financial Institutions with specific focus on the Board structure and composition, responsibilities, processes, relationships, individual Director's competences and respective roles in the performance of the Board. Subsection 2.8.1 of the Code requires each Board to conduct an **"annual Board and Director's appraisal covering all aspects of the Board's structure, composition, responsibilities, processes, relationships and performance"** while subsection 2.8.3 requires that such Evaluation should be conducted by an independent consultant.

Our approach included the review of Access Bank's Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the Bank.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the Bank or reveal irregularities, if any, in the underlying information.

On the basis of our work, the Board of Access Bank has largely complied with the requirements of the Central Bank of Nigeria (CBN) Revised Code of Corporate Governance (CCG) 2014 during the year ended 31st December, 2019.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Access Bank's 2019 Annual Report.

We have performed the evaluation of the Board of Access Bank Plc for the year ended 31st December, 2019 in accordance with the guidelines of Section 15.1 of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria.

The Securities and Exchange Commission (SEC) Code of Corporate Governance 2014 mandates the Board of Public Companies to undergo an annual appraisal of its own performance, that of its Committees, the Chairman and individual Directors. Subsection 15.2 of the Code requires the appraisal system to "include the criteria and key performance indicators and targets for the Board, its Committees, the Chairman and each individual Board member" while subsection 15.6 states that the services of external consultants may be engaged to facilitate the appraisal process.

Our approach included the review of Access Bank's Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with the Directors and key personnel of the Bank.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the Bank or reveal irregularities, if any, in the underlying information.

On the basis of our work, the Board of Access Bank has complied with the requirements of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria during the year ended 31st December, 2019.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Corporate Governance section of Access Bank's 2019 Annual Report.

For: **Ernst & Young**

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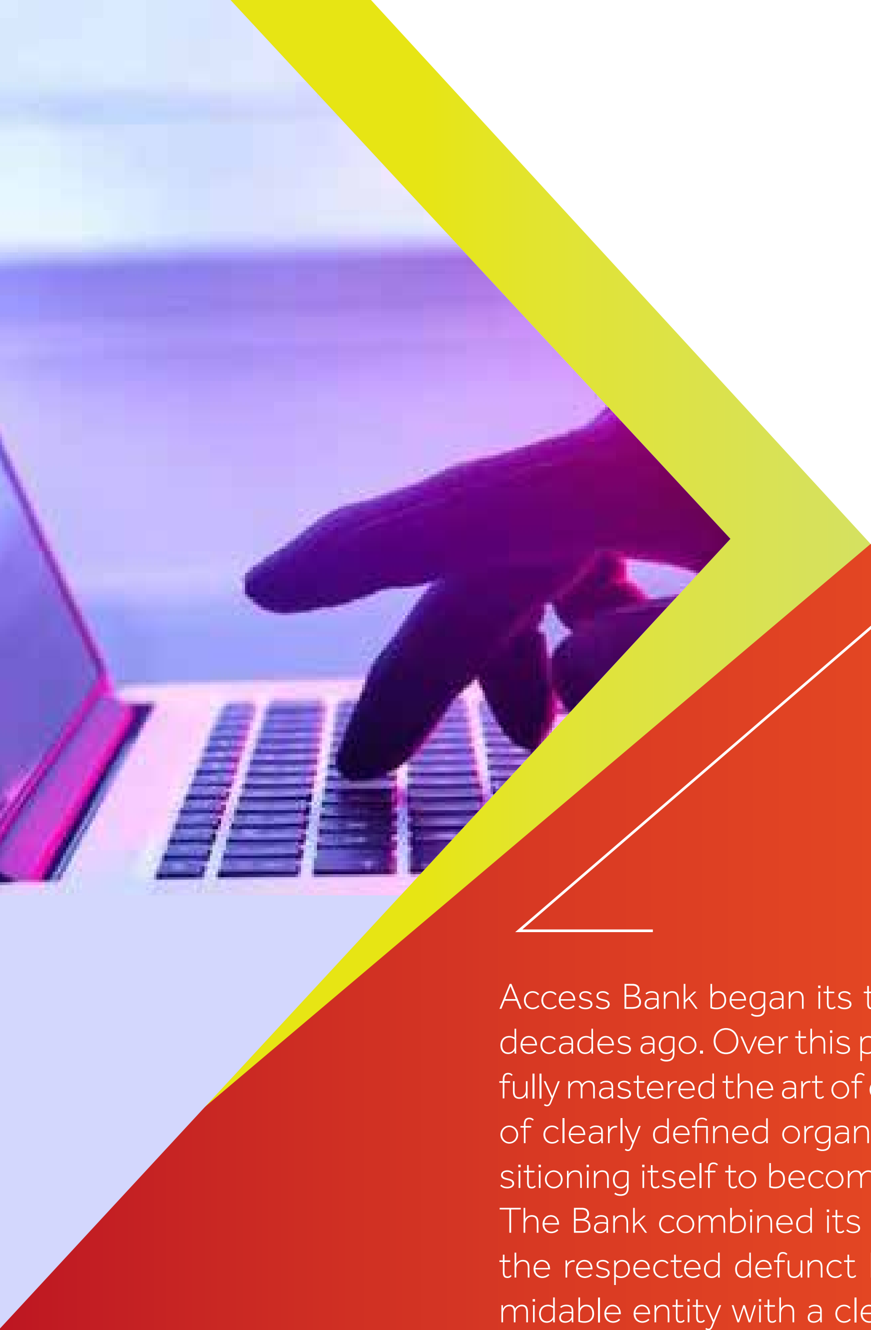
Benson Uwheru
Partner, Advisory Services
FRC/2013/CIBN/00000001554



COMMERCIAL BANKING DIVISION

Access Bank began its transformation journey nearly two decades ago. Over this period, the institution has successfully mastered the art of effective and successful execution of clearly defined organic and inorganic strategies. In positioning itself to becoming Africa's Gateway to the world, The Bank combined its capabilities with the best parts of the respected defunct Diamond Bank to create one formidable entity with a clear vision to be "The World's Most Respected African Bank".

Our Business Model

As a subset of Wholesale Banking, the Commercial Banking Division (CBD) remains a critical engine and driving force towards the achievement of the Bank's goals and objectives. The Division has over the years played a pivotal role in pioneering new paths in creating the More than Banking experience as we constantly seek fresh ways of forging a better future for the clients, markets and communities that we serve.

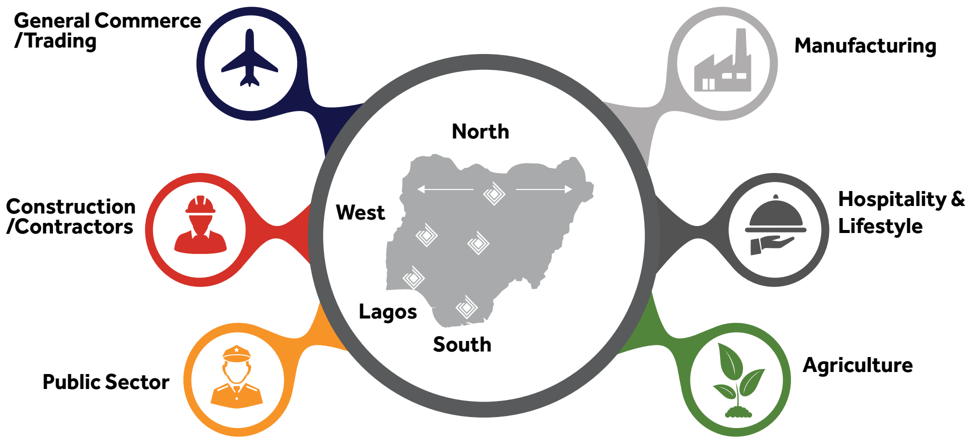
The Division is represented across all the states in the geopolitical zones in Nigeria, where it serves two broad market segments, namely:

- Private sector businesses: consisting of local and foreign-owned institutions operating within our identified market segments with an annual business turnover of N5 billion to N50 billion (excluding companies that meet the Corporate and Investment Banking Division's customer criteria).
- Public sector Institutions: made up of Federal, State and Local governments (including Ministries, Departments and Agencies) and Government-affiliated businesses.

These customers are managed through a tested and sustainable structure that incorporates the expertise and core competencies of the workforce in the Division across 80 teams, 26 zones and 5 Groups, managed by Relationship Managers, Zonal Heads and Group Heads. The Agric Business Group is also a strategic part of the Division's structure. The Desk plays a pivotal role in driving the Agric value chain whilst leveraging the Federal Government of Nigeria (FGN) specialized lending initiatives aimed at economic development in the various parts of the country. The six teams in the Group are located in Lagos and across the six geopolitical regions in the country.

The goal is to deliver a unique experience at each service touchpoint across the country.

Core Business Sectors & Locations



In addition to the above core segments, the Division has, through the German and Chinese Desks, expanded its reach across Chinese and German owned and managed businesses. The strong partnership with the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) has been very instrumental in this instance.

The Division pioneered a branch at Igbesa in Ogun State which enabled the Bank to harness the full potential of the Chinese community located in various Free Trade Zones across the area.

We continue to support our customers' global transaction by leveraging on our international affiliations (The Access Bank UK and Dubai), representative offices (in Lebanon, India and China) and our Pan African Subsidiaries (Ghana, Gambia, Sierra Leone, Rwanda, Democratic Republic of Congo, Zambia, Kenya and Mozambique). We have through the one-bank initiative expanded the Bank's business footprints especially for customers with presence across other African countries. Consequently, we have a holistic view of our customers' business transactions.

To further enhance the Division's business and evolution in line with international best practices, the Client Service Team (CST) model was strategically adopted in 2019, with the Lagos Commercial Banking Group used as a test case. This model is built around our customers' entire value chain, with a specialized Global Transaction Banking Team to provide value-added offerings at all critical touchpoints for each customer. The strategy was very successful leading to a growth in the market share for existing businesses, increased penetration for new relationships and generally higher revenues.

Overall, our diverse clientele base requires in-depth multi-industry knowledge and ever-evolving innovation. This ensures that we consistently proffer bespoke value propositions that foster both local and foreign trade. We provide support in international trade transactions, treasury analytics and our value chain management system that improves collections via various electronic and physical financial channels. These unique solutions ensure our clients are within the top tier of their respective industries/ sectors whilst remaining cost-effective.

Our People

In Commercial Banking, our strongest asset is the talent of our people and their ability to lean on the skills they have acquired to advance the Bank, the economy and the communities they serve. These are true Access Bank warriors that embody the Bank's core values and have consistently been at the vanguard of executing its winning strategy by providing innovative, dynamic and effective solutions to the market. They consist of young, vibrant, empowered and customer-centric professional business managers, with a continuous drive to understand the needs of our customers and then win and sustain enduring partnerships.

The long-term growth and success of the Division and Bank at large depends on our ability to attract and retain the right people by providing a clear and possibly accelerated growth path that is built solely on merit. Our people at all levels have been pioneers and consistent beneficiaries of the Bank's exceptional talent programme, which provides an opportunity for accelerated career growth within the Bank.

Our home-grown capabilities have been further enhanced following the merger, making the team more diverse, determined and digitalized. This is evident in the team's ever-increasing contribution towards the achievement of the Bank's strategic goals.

Our Corporate Social Responsibility (CSR)

The Division remains a strong advocate for sustainable initiatives.

This is a basic pre-requisite in determining the calibre of businesses we support we support.

Our CSR efforts have been consistent over the past decade focused on health and education. In previous years:

a. We partnered with PG Healthcare to carry out a free maternity healthcare screening exercise for malaria and blood sugar, ensuring that patients are properly tested, and possible complications averted; we supported the Down Syndrome Foundation Nigeria by providing financial assistance to the foundation as well as sponsoring major successful surgical operations in India for a number of patients.

b. We provided healthcare awareness and support to the Ibeju Lekki community through the Ibeju Lekki Primary Health Care facility on maternal and infant mortality reduction, early pregnancy, malaria prevention, water purification and combatting Zika fever.

c. We renovated Hafsatu Ahmadu Bello Women Model Secondary School Sokoto, amongst others.

d. We are currently focusing on education and we have embarked on a project to remodel the Ipakodo Junior Grammar School to provide a better learning environment for over 2,000 students. The aim is to significantly impact the education sector in Lagos State and in other states where we have remodelled or renovated schools and concluded library upgrades.

Looking Forward

The Division, in alignment with the Bank's overall strategic intent and aspiration, aspires to rank Number 1 within the commercial banking business segment in the Nigerian banking industry.

We will continue to build deep sector expertise in priority industries and enhance our customer-centric engagement structure in our quest to create value for all stakeholders. We will also build competences amongst all cadres of staff within the Division, leveraging our strong service-level agreements with our customers. We intend to keep delivering cutting-edge innovative products and solutions for our clients using an encompassing risk management framework.

Our role is to ensure Access Bank becomes the World's Most Respected African Bank, which is pivotal to our passion and drive for success.


MORE
IN AFRICA
MORE TO THE WORLD
A bright future is only attainable with sustainable growth. This is why we support agriculture in Nigeria through the provision of Agric Loans to farmers.
Explore growing possibilities with us and experience more than banking.
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Africa | Asia | Europe | Middle East
access
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BUSINESS BANKING

Business Banking Division provides bespoke products and services catering for the needs of SMEs in the various segments of the economy. This also includes customers that make up the entire ecosystem of the Bank's Commercial, Corporate & Investment Banking Divisions.

We exclusively provide financial services to SMEs with turnover not exceeding N5billion, maintain a customer-centric and digitally led strategy to deliver superior customer service to our over 750,000 customers, as at December 2019.

PRODUCTS & OFFERINGS

In order to serve our customers, the Division has put in place various products and services that are well tailored to meet the demands of our customers in the various sectors of the industry. In addition to our traditional product offerings, the Division also offers the following:

We have refined one of our flagships liability products for SMEs, The Diamond Business Advantage (DBA) and rolled out a new variant, DBA Trader Lite, targeted at Micro/Small-sized businesses who seek to optimize account maintenance costs.

Despite weak economic growth, the Division delivered innovative solutions designed to support entrepreneurs across the different focus sectors. Some of the initiatives that were launched during the year include the following:

- Proactive engagement through regular interactions with key stakeholders in the SME space via Power Breakfast Sessions and Market engagement fora.
- The Quick Bucks APP and other innovative remittance products were launched to continue to deepen digital adoption for SME businesses in Nigeria.
- Supporting Women-owned businesses remained a priority area for the Division. We organized a Pitch-a-ton, where women entrepreneurs pitched to win grants up to N5million to support their businesses and build capacity.
- As an extension and based on customer feedback, we removed identified barriers to loan eligibility to ease access to credit facilities for women entrepreneurs under our W-power loan scheme.

The Merger with Diamond Bank Plc, a dominant player in the Nigerian SME banking space led to the addition of a robust set of products to our existing bouquet of products.

COLLABORATIONS

We further strengthened our commitment to the SME sector through strategic partnerships with select Media Organizations and collaboration with Development Finance Institutions.

Leveraging the Creative Industry Finance Initiative (CIFI) by CBN, we provided the needed exposure to businesses in the Creative Industry which provided the opportunity to access loans at discounted interest rates; Hubs of Creative businesses were identified in different states in the country. Loans were also advanced to entrepreneurs in the movie production/ distribution, music production; fashion and information technology sub-sectors.

CUSTOMER SEGMENTS (CENTRE OF EXCELLENCE)

Second year into the implementation of the five-year strategy, we have grown our understanding and market reach of the 21 sectors. This has positively impacted our tailor-made products and services to the respective sectors below:

SERVICE LEADERSHIP

We are committed to ensuring a sustainable future through innovation and best in class operations.

Access Bank has consecutively ranked 2nd as the SME Customer-focused bank in the KPMG Banking Industry Customer Service Survey of 2017 and 2018 respectively. Our operations were defined in 2019 by the need to improve and consolidate our service excellence using technology and effective customer relationship management

Through shared data and advanced analytics, we provided our customers with market intelligence which was instrumental to the success of our business.

OUR STRATEGIC FOCUS IN 2020

Brand aspirations

"To bank one in every two SMEs within our target market in Nigeria by 2022"

The Business Banking Division will maintain a pivotal role in the Bank's strategic growth plan. We are aware of the constant disruption in our business, due to varying factors and are positioned to take advantage of the opportunities year 2020 has to offer. We are also committed to sustainable business practices in reshaping the dynamics of the markets.

Our strategy towards achieving our ambitions will be along six pillars:

- Drive digitally led innovation on new and existing products.
- Build sales enhancing capabilities
- Optimize coverage
- Strengthen digital channels
- Leverage analytics
- Launch beyond banking ecosystem

We will achieve these through:

- Imbibing service innovation and best practices;
- Brand projection through collaboration with external partners;
- Leveraging on new technology to improve customer-centricity,
- Digitizing our customers' journeys and experiences
- Leveraging on partnerships that will enable the future generation to meet their needs.
- Simplifying payments and loan solutions through best in class QR code-based payments APP and new cash-flow lending APP.

In order to properly serve the different and complex strata of the SME space, we have re-segmented our business into Emerging and Prestige sub-segments. This would ensure that we deliver value-adding and exceptional service to the delight of all our customers across these segments.

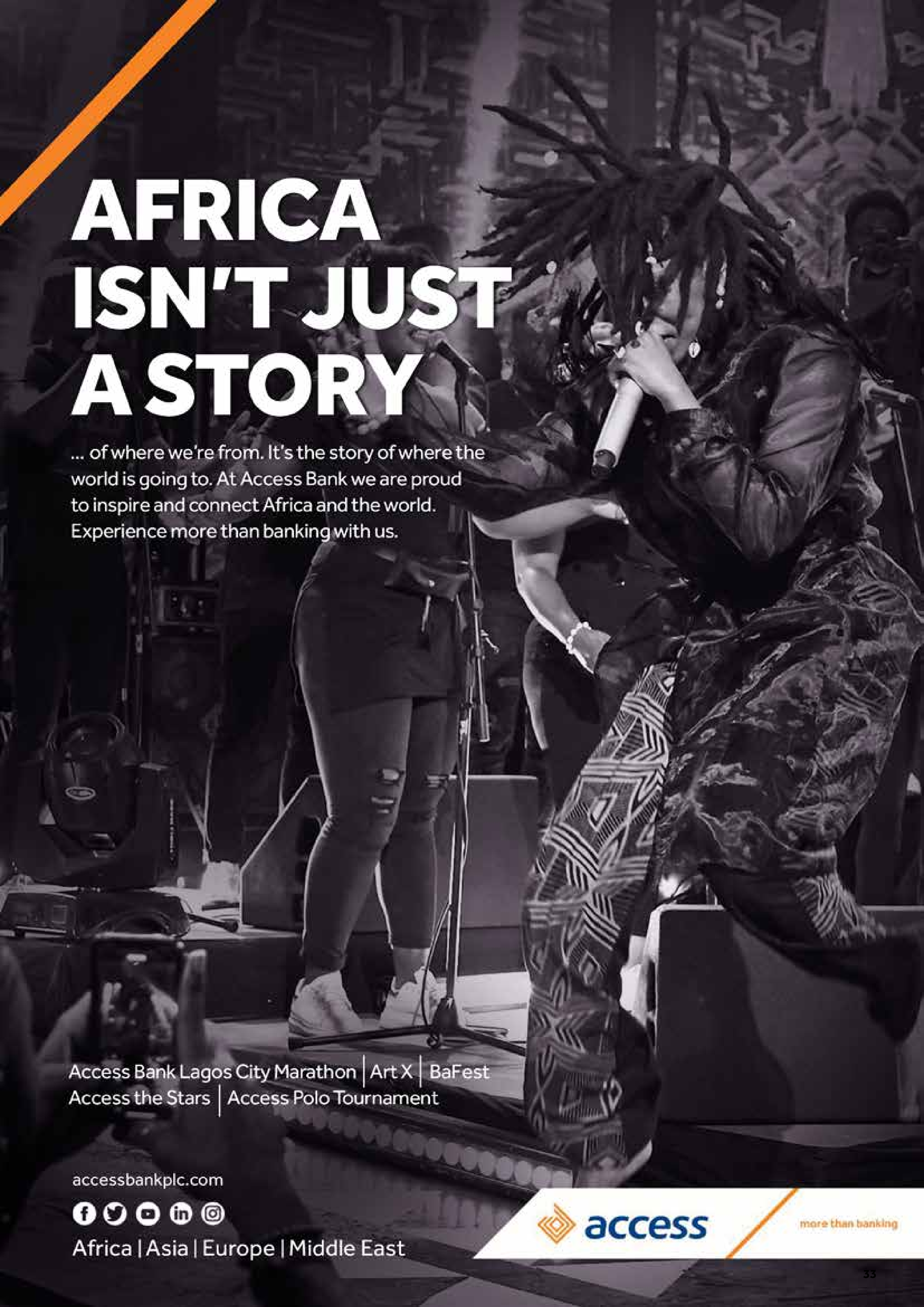
We are leveraging on analytics and digital capabilities to improve the efficiencies of both our products and staff. In addition to this, our synergy with Operations and IT will ensure that the required analytic and digital platform for the achievement of our efficiency aspiration, are fully optimized.

The Division is positioned to developing our 'beyond banking ecosystem' in our quest to serve our customers and endear them to the Access brand. We are passionate about winning the mindshare of our customers, and to achieve this, we have set aside brand awareness programmes and several market engagements.

We intend to develop a 'Business card' product which once launched, will help carve a niche for our SME customers and make our brand indelible on their mind.

In view of the enormous opportunities in the SME space, we have set an ambitious target for ourselves as we intend to grow y-o-y balance sheet and revenue by 54% and 45% respectively. Also, in line with our 2022 aspiration to Bank one in 2 SMEs in Nigeria, we intend to sign-on an additional One million SMEs by the end of 2020.

We are committed to meeting our aspiration to be the No 1 SME Bank in Nigeria as we build a distinctive Business Banking brand, positioned to continuously increase the share of our customers' minds.


AFRICA ISN'T JUST A STORY
... of where we're from. It's the story of where the world is going to. At Access Bank we are proud to inspire and connect Africa and the world. Experience more than banking with us.
Access Bank Lagos City Marathon | Art X | BaFest
Access the Stars | Access Polo Tournament
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PERSONAL BANKING

In 2019, the Division's strategy was focused on sustainable growth and value creation for stakeholders across Africa.

Despite market uncertainties, we made a strong start in accelerating growth by merging with Diamond Bank. This strategic action marked the rebirth of the Bank's retail business and delivered reinforcing business synergies.

The potent combination of merged capabilities and specialization, complementing product portfolios, and the scale gained, enabled us to offer more transaction platforms and touchpoints, as well as enhanced service delivery and benefits to customers across strategic segments.

As a result, we emerged in 2019 as the largest retail bank in the Africa. In terms of customer base and assets, we are also now the largest bank in Nigeria. More than 36 million clients trust us to manage their finances, facilitate their transactions, and support them to save and invest for the future.

Our retail offerings and propositions were redesigned to enable clients to achieve more as they actualize their financial goals and lifestyle aspirations. So, whether they are individuals with simple banking needs, mass affluent individuals, ultra-high-net-worth individuals, or emerging businesses, our customers are now able to access a broader range of products and services that have been designed to meet their needs and reflect local requirements.

The revamped retail business now serves clients in highly diverse segments: unbanked and underbanked, children, youth, women, seniors, employees and high-net-worth individuals, as well as emerging businesses, via an expanded network of over 20,000 touchpoints, including branches, ATMs and bank agents.

We have very ambitious goals to ensure we leverage the synergies of our new, enlarged, business and deliver on our ambitious plan of providing banking services for one in every two Nigerians.

As we continue to consolidate the gains of the merger, we consider the current level of engagement as a great starting point upon which we must build and innovate quickly. That way we can meet the changing needs of our clients, help stakeholders achieve their goals and deliver the retail business that will pilot us to becoming the World's Most Respected African Bank.

Emerging Businesses

The Emerging Business segment, which caters to micro, small and medium enterprises (MSMEs) in the retail space, is an enhancement to the retail business model following the merger with Diamond Bank.

In the course of the year, we designed specialized offerings for SMEs and leveraged best-in-class MSME-specific credit assessment methods. By deploying an innovative lending method known as the cashflow lending methodology, we were able to lend to MSMEs based on a good credit report and proper keeping of sales records.

Leveraging the scale of the revamped retail business, over the last 12 months we have supported economic growth by helping more than 11,000 thriving enterprises grow and create more jobs through access to finance in excess of N22 billion ($61m). More than a third of the beneficiaries of this lending methodology are women-led/owned MSMEs who have accessed finance through our award-winning W Power Loan for women – discounted financing priced significantly below market lending rates.

Our support for over 700 healthcare businesses with N7 billion ($19.5m) in financing earned us recognition as the 'Outstanding Healthcare SME Friendly Financial Institution of the Year' at the Nigerian Healthcare Excellence Awards (NHEA).

Business clients also benefitted from MSME clinics, capacity-building programmes, networking opportunities and discount offerings, plus access to market solutions and visibility platforms such as Ebony Life TV. We recorded a 600% increase in the reach of our capacity-building programmes to 24,000 beneficiaries in 2019, up from 4,000 beneficiaries in 2018.

Private Banking

Our Private Banking business prides itself in providing distinct and personalized services with pristine customer experience to wealth management clients.

The business serves ultra-high-net-worth, high-net-worth and affluent individuals, by identifying and focusing on value creation specific to each segment's needs. These offerings range from the basic banking products and lifestyle services to sophisticated financing structures, making us a one-stop-shop for their banking needs.

During the year, we leveraged the business combination with Diamond Bank to create and deploy customer engagement framework measures that strategically foster brand growth and long-term loyalty that exist beyond revenue extraction. Our clients trust that we will anticipate and meet their needs in real time, as well as execute bold start-to-finish strategies to deliver a 'beyond banking' client experience.

Segments and Propositions

We grew active customers by 7 million in 2019, a reflection of the transformation achieved by the merger and our continued investments in strategic initiatives to drive growth in key segments, especially children, youth, women and seniors.

This business combination with Diamond Bank enabled us to support more clients in achieving their financial and lifestyle goals whilst deepening financial inclusion initiatives across the country.

DiamondXtra Product and Xclusive Plus Proposition

Our innovative savings solution, which features a prize draw to deliver life-changing experiences for customers, entered its 11th year in 2019. It's one of the most successful deposit products in Nigeria and we brought new life to it by making it more accessible and fully digital. Through the digitization of the DiamondXtra product, anyone across the country can now dial *901#, to open a DiamondXtra account in minutes to start saving and earning rewards such as 'salaries for life', rent payments and scholarship awards.

In the course of the year, the XclusivePlus lifestyle proposition, which provides both local and international premium travel and lifestyle benefits, was enhanced to include data bundling and online medical assistance for subscribers. To further simplify the onboarding process and improve service delivery, a self-service onboarding platform was also introduced to clients and we upgraded a number of our lounges across the country.

Children, Youth and Seniors

We deepened financial literacy for children by providing offline and online learning platforms, such as the Access Bank-MTN mPulse Planet 2019 programme and a gamified learning platform: www.dreamville.ng. These enabled children to learn about managing money and other financial instruments. We also leveraged annual financial literacy celebrations, including Global Money Week, Financial Literacy Day, World Savings Day and Children's Day, to impact thousands of children with financial literacy skills and information.

In the Youth segment, members of the National Youth Service Corps (NYSC) programme benefited from device financing and priority service in the Bank's Entry Level Trainee Programme (ELTP) for over 21,550 youths who had banked with us during their NYSC programme. We also launched the "Access the Stars" reality programme, in partnership with Nigerian Breweries Plc, through Access Bank's *901# platform. The nationwide competition sourced the best talents among young Nigerian artistic hopefuls and showcased them across the country.

Women Banking

We prioritized the business case for banking women thirteen years ago with the Gender Empowerment Marketing (GEM) programme, which evolved into the W Initiative in 2014.

The fusion of Diamond Bank's Diamond Woman with our W Initiative has birthed the largest women market programme in Nigeria - the W Initiative.

During the year, 12 million female customers had access to the offerings of the W Initiative, with four of every five newly acquired clients adopting our debit cards. We have also stimulated economic expansion through N12 billion ($33m) debt financing invested in 1,800+ women-owned enterprises and N14.8 billion ($41m) growth in lending to 350,000 female individuals.

W Academy programmes

Female clients benefited from the deepened impact of the W Academy programmes as follows:

- 103 women-focused programmes that reached 128,793 women.
- 71 capacity building and networking sessions for 3,597 women.
- Three Access-to-Market programmes to positively impact 450 female entrepreneurs.

Three flagship programmes were also hosted in the course of the year:

INTERNATIONAL WOMEN'S DAY

- Hosted the largest gathering of women in commemoration of the 2019 International Women's Day celebration in March
- 6,700 registrations and 2,500 participants
- 15 local and international speakers

WOMENPRENEUR PITCH-A-TON 2019

- Evolved from the previous Womenpreneur Business workshops
- Womenpreneur Pitch-A-Ton campaign was designed to provide Access to capacity building through a Mini MBA from the IFC
- Access to financial grants of up to $14,000 and
- Access to market for women entrepreneurs.
- 36,000 applicants with access to the Womenpreneur Community, 50 Mini MBA graduates, 3 grant beneficiaries

WOMEN'S HEALTH MONTH

- We dedicated the month of October to creating awareness around five maternal health challenges; Infertility, Endometriosis, Cancer, Vesico Vaginal Fistula (VVF), Maternal and Neonatal Mortality.
- 2,000+ women benefitted from free health screenings, 700 women were equipped with requisite knowledge from health talks with experts across the country.
- 2,500+ women participated in the Walk for Women's Health led by the Group CEO, Herbert Wigwe, and Federal Minister for Women Affairs & Social Development, Dame Pauline Talline.

Women's Health and Wellbeing

Hundreds of families benefited from the Maternal Health Service Support (MHSS) through financing for medical and fertility treatments for women. We also fostered partnerships with the healthcare sector nationwide and provided capacity building to more than 300 Medical Doctors and fertility practitioners.

Partnerships and Alliances

In 2019 we forged new alliances with Women's World Banking to better serve underbanked and unbanked women, while working with the World Bank on the We-Fi project and Lagos State Employment Trust Fund (LSETF) to facilitate lending to female entrepreneurs.

The W Initiative has earned several local and international awards:

- Africa CEO Forum – Gender Leader Award (2019)
- Financial Alliance Women – Women Market Champion Award (2019)
- Women's Choice Africa – Bank of the Year Award (2019)
- Nigeria Finance Innovation – Best Bank in Women Empowerment Award (2019)
- Women in Marketing and Communications – Female-Friendly Bank of the Year Award (2019)
- National Council for Women Society Nigeria – Dedication to Women Entrepreneurship Award (2019)
- Central Bank of Nigeria – Excellence in Women's Economic Empowerment (2019)

The W Initiative is committed to providing solutions that will enhance the lives of women across all life stages and increase their participation in the global economy.

Employee Banking

We serve more than 1.2 million employees through the Everyday Banking Proposition by offering enhanced financial and advisory services. Our strength in Employee Banking provided further benefits as we made the wide suite of offerings available to the larger base resulting from our merger with Diamond Bank.

The recently introduced Automated PayDay Advance offering and quick loans via the USSD code *901*11#, enabled us to serve employees with swift and hassle-free access to finance. This has been transformational in the consumer lending space, allowing us to profitably lend at the point of need, and aligns with our digital strategy.

Additionally, by strengthening the offerings for this segment, we achieved greater awareness in the target market and an improved business performance. An additional 600 businesses and more than 110,000 employees in Nigeria have trusted us to provide a secure financial future by making the switch to the Everyday Banking proposition.

Unbanked and Underbanked Segments

Financial inclusion is one of the ways we address poverty and ultimately contribute to the wellbeing of the society. The resulting capabilities gained from the merger completely transformed our retail offerings to this segment of the market, with the emergence of a strengthened business model.

The market approach is three-pronged:

BETA proposition → **Direct Sales Agents (DSAs)** → **Agency Banking**

BETA Savings Proposition

Our BETA proposition is designed for traders, market women and men, who have limited or no access to financial services. In 2019, we activated 100 additional branches for the BETA proposition, and this pushed our reach to 332 markets nationwide. Over 1,300 trained mobile agents called BETA Friends take banking to customers in the markets and leverage digital technology to serve them with onsite access to basic financial services – account opening, payments, savings, and credits – in a responsible and sustainable way, thereby helping millions of unbanked Nigerians across the country.

In 2019, previously unbanked/underbanked Nigerians were able to save more than N8.5 billion ($23.6m) and many more were able to access financial services via the mobile app and the recently enabled USSD platform, which allows users without a smartphone or internet access to use mobile banking.

Several women in Northern Nigeria benefited from the flagship financial literacy programme tagged "BETA Woman, BETA Naija", running for the third year in partnership with Amazing Amazons NGO.

Direct Sales Agents (DSAs)

Leveraging a fusion of the best people and technology, the DSA business model was positively transformed. Through over 3,000 active agents across the country, 1.1m new-to-banking individuals were able to save more than N32.26 billion cumulatively.

To inspire the DSAs, an annual sales conference tagged "Refresh, Renew and Refocus" was held to motivate them and reward their performance.

Agency Banking

The Agency Banking business enabled us to increase our retail service footprint and take banking services to customers at their own communities.

As part of the gains of the merger, customers who were previously financially excluded are now able to bank with us through over 16,000 agents across Nigeria, with a goal to increase the number of agents by 35% in 2020.

To further advance the financial inclusion agenda, during the year we leveraged our partnership with the Aliko Dangote Foundation and high-profile agents to onboard 24,000 women and over 500,000 hinterland customers, respectively. This intervention has enabled more Nigerians to access formal financial services.

Channels Business

The channels business experienced quantum growth as a result of the merger.

Digital Banking

Driving financial inclusion, seamless payments, cashless policy and digitization of services through fast and highly secure payment platforms is at the core of the digital channels business. We have upgraded and enhanced multiple channels for seamless business-to business, business-to person, and person-to-person payments.

Through our simple, secure and easy-to-use USSD service *901# that requires no internet connection, low-income earners and the unbanked have access to basic banking services using just their phone numbers.

Web and App platforms

The AccessMobile app and AccessOnline now serve an expanded customer base of more than 13.1 million users. Clients can now access services such as card and cheque book requests, investment booking and loan requests, plus statement generation and account officers' details, without the need to visit a branch.

Cards

To further entrench the cashless initiative in Nigeria, with more than 12.5 million debit card holders, the highest in the banking industry, we continuously update the features on our credit, debit and prepaid cards to ensure customers continue to enjoy payment convenience.

In partnership with Visa, Verve, and Mastercard, we meet specialized clients' needs. We have introduced different card variants, such as Travel, Payroll, Utility, Fleet, Gift and Zaakat cards, for individuals and corporates to take care of travel expenses, salary payments, day-to-day spending, petty cash and obligatory religious gifts.

Acquiring solutions

Our acquiring solutions (POS, QR collections, Branch and Web collections) foster the cashless economy by providing avenues for electronic payments, thereby facilitating national planning and development by monetary authorities.

We have also provided 40,000 POS terminals to businesses to facilitate their revenue collection.

Automated Teller Machines (ATMs)

Finally, with more than 3,000 ATMs strategically spread across the country, we have consistently served both bank and non-bank customers. Our ATMs support the highest number of customers of other banks, making Access Bank the go-to convenient bank while delivering enhanced revenue.

International Payments and Remittance

AccessAfrica has revolutionized the payments industry by creating a simplified payments solution that facilitates cross border transfers to final beneficiaries within Africa and beyond.

More than 20,000 customers (including non-account holders) experienced the comfort of sending and receiving money from various subsidiary countries, with beneficiaries in Africa, Europe and Asia. They were empowered with the ability to make straight-through payments to all other banks in these countries (besides Access Bank).

Our Ghana School Fees product is built on partnerships with universities across Ghana and facilitates instant school fee payment, accommodation fee collections and ability of the respective schools to validate payment leveraging the Bank's platform.

AccessAfrica was recognized as the 'Best Money Transfer Product' at Ghana's Information Technology and Telecoms Awards.

Remittances

The Remittance business enables customers to remit funds through International Money Transfer services to named beneficiaries. It is facilitated by cash payments and direct transfers to customer accounts of both Access Bank and other banks.

With the expanded scale resulting from the merger, more than one million customers across our branch network sent funds to or received them from their families, friends and business associates through various money transfer platforms.

Consumer Lending Business

Overall, we achieved a steady growth rate of lending to Nigerians.

Traditional Lending

The merger provided a wider customer pool of both salaried and self-employed customers to access our wide range of lending products: Personal Loans, School Fees Advance, Vehicle and Asset Finance, and Mortgages.

We supported more than 55,000 salaried and self-employed customers, giving them access to over N5 billion ($13m) in short-term personal loans.

The Bank provided opportunities for customers to acquire household assets, with more than N3.2 billion ($8.9m) in financing and mortgage facilities across the country.

Our strong pedigree in Vehicle Finance and partnership with leading automobile dealerships in the passenger and commercial vehicle segments enabled us to support individuals and businesses in acquiring new vehicles in a cost-effective manner by providing financing of more than N3 billion ($8.3m).

Digital Lending

As a result of the business combination with Diamond Bank, we expanded the Bank's digital lending products by offering a range of soft-lending solutions for every Nigerian.

The launch of the pioneer PayDay Loan product triggered an unstoppable trend with digital lending in Nigeria. We advanced this by introducing the QuickBucks app, which offers customers a one-stop-shop for digital lending products and provides access to credit without having to walk into a branch. The application includes all the salary-backed instant multi-tenured and flexible digital lending products.

Since their launch, digital lending products have seen a rapid growth in the Bank's retail lending portfolio, with a customer base that has benefited from financing of more than N70 billion ($194m) in 2019 and has grown from 2.5 million to 6.5 million customers.

In 2020, the Division will focus on increasing digitization and automation of our business, and making relationships work by being there for our customers.

CORPORATE AND INVESTMENT BANKING

The Corporate and Investment Banking Division (CIBD) comprises principally of corporate banking and market businesses supporting corporate clients and financial institutions in managing their funding, financing and risk management needs.

We serve as banking partners to a large spectrum of clients, covering Oil and Gas, Food, Beverages and Personal Care, Cement and building material, Telecoms, Transport and Logistics, Project Structured Finance (PSF), Financial Institution and Treasury with value adding products and services that primarily increase their revenue and/or reduce their cost of doing business.

As a business, we provide clients with long-term strategic advice as well as covering financial risk management. Our market focused attitude provides a broad range of clients with structured funding solution with market research, insight and execution services.

In 2019, we leveraged our strategy to solidify our franchise and transform performances over the long term, supported by a new business model that is more client focused. This model is led by a global transaction banking business which drives the value chain of our corporate clients from the distributor, suppliers, tax payment and vendor perspective. We will continue to focus our investments on financial resources, technology and human capital which will increase our market share and position of dominance across our various business sectors.

Oil & Gas

The Oil & Gas Group has sustained its standing as a market leader in the Energy finance sector over the past decade. The Group's operating model is anchored on a client-centric, innovative and technology driven approach. This ties into the Bank's overall strategic objective in the Oil and Gas industry. This strategy leverages on an experienced, motivated and competent team for implementation. This dynamic mix has positioned the Division to further expand its mandate going forward.

This narrative combines key partnerships with critical stakeholders across the industry's ecosystem with information leadership as a backbone for dominance in the Oil & Gas space. The Division continues to harness viable opportunities in the industry via bespoke financial solutions to identified players across the Upstream, Mid-stream and Downstream value chain.

In 2019, the Oil & Gas sector played a lead role in key transactions within the energy industry ranging from landmark Liquefied Natural Gas capacity expansion projects to field development financing for Local Integrated Oil Companies as well as Alternative Capital Financing solutions for Multinational oil companies and their National oil company counterparts.

A dynamic shift is envisaged in Oil & Gas Downstream sector in line with the projected commencement of operations at the Dangote Oil Refinery, the Bank has proactively commenced engagements with the various players targeted at developing a financial solution to cater for the entire chain. In the interim, the Bank continues to offer a vast array of solutions ranging from robust payment platforms for purchase of products by distributors as well as providing the much-required funding options to facilitate logistics for the importation and distribution of petroleum products.

Overall, a resolve to ensure that the Oil and Gas Group operates in tandem with international environmental sustainability global best practice and equator principles has consistently seen Access Bank recognized both internationally and locally by leading organizations and interest groups. As a testament to this narrative, the Bank secured the CBN award for "Most Sustainable Transaction in Oil & Gas" for the year 2019.

Large Conglomerates

Large Conglomerates which comprise businesses covering Food and Trade, Beverages and Personal Care, Cement and Building materials continues to expand its client base and close transactions with value adding propositions. Our Client Service Model (CSM), with experts across multiple functions has seen a significant improvement in our relationships and better understanding of our client's unique requirements.

Our end to end support from the importation of raw materials, local supplies, to sales distribution (local and export) of finished goods ensures we are a critical part of our client's business. We are thorough and resolute in our desire to see our clients excel and transition, given the wider impact for the economy. We continue to see ourselves as a partner to our clients, as they transition to new products, businesses across borders.

Over the course of the year, we continued the development of unique digital banking platforms and alternative channels that ease collections and payment processes, enhance client experience and profitability. Our structured trade solutions in partnership with International Commodity Companies underscore our understanding of these sectors and ensure we are at the front row in value addition.

Entering the new decade, our focus remains to build and strengthen client relationships, with a bird's eye view of the possible opportunities in our sectors. We are in a better position to proffer strategic expert and innovative solutions that add value to our clients and their international ambitions. We will be value driven, flexible – shifting through the gears and stamping our position as the 'Gateway to Africa for large corporates.

Infrastructure

The infrastructure business is charged with the task of implementing the Bank's vision to lead the drive for development of the country's infrastructure and close the significant gaps that exist in three main specialized sectors: Power, Transport and Logistics & Telecommunications. We appreciate the importance of these sectors to economic development on a national and global scale and as such are always at the forefront of deploying products and services that proffer solutions to the current business challenges of our esteemed clients.

Within the healthcare infrastructure segment, we implemented a revolutionary healthcare equipment finance service in conjunction with a foremost original equipment manufacturer (OEM), to facilitate local healthcare providers' ability to access state-of-art medical equipment. The focal point of this offering is to support the healthcare system in the country, facilitate the availability of capital-intensive medical equipment, reduce medical tourism and bring quality healthcare closer to the masses. This evidences the Bank's resolve to deploy resources with high positive impact on the polity and added economic value to the common man.

The Transport and Logistics sector enabled a secure, convenient and efficient online payment platform to ease the stress of obtaining visas from the UAE by account holders. This can be done from the convenience of your home or office without visits to the consulate or agents.

The Bank is strongly positioned as a veritable stakeholder in the provision of telecoms services in the country, by partnering with the foremost collocation company and leading Telcos, to advance the telecommunications benefits across the country's geographies. It is our firm belief that these sectors will remain key drivers of economic transformation in Nigeria and in Africa, in the foreseeable future, and Access Bank will continue to deploy resources to support this move.

Project and Structured Finance Group

The Project and Structured Finance Group (PSFG) is a leading and evolving solutions driven financial advisory, debt arranging, and agency services provider. The Group has been repositioned to support the Bank's clients by providing a full range of tailored financial solutions, leveraging the expertise of its experienced staff and strong relationships with local and international financial institutions and professional service firms.

Collaborating with other Strategic Business Units and leveraging the expertise of our staff and strategic relationships with several Development Finance Institutions (DFIs) and Export Credit Agencies (ECAs), the group provides medium to long term alternative, innovative and sustainable funding solutions at very competitive pricing to eligible clients. Illustratively, PSF successfully consummated a EUR69.5Million ECA covered facility to support an iconic real estate and land reclamation project in Nigeria; raised US$200Million to provide financing support to Manufacturing, Agriculture, Agro-processing, intra-African trade, value-added exports, Power, Energy and ICT sectors in Nigeria among other strategic deals and transactions.

In consonance with Central Bank of Nigeria's (CBN) drive to increase flow of low cost credit to the real and agricultural sectors, the Group in concerted effort with respective relationship teams, have deployed over NGN50Billion in intervention funds in favour of eligible projects and an excess of NGN7billion in low cost funds from Development Bank of Nigeria to support the Bank's flagship retail banking programme – the 'W' Initiative to boost lending to female-owned SMEs.

Treasury Group

The Group Treasury provides sales and trading services, liquidity, hedging strategies and industry-leading insights, analytics and competitive pricing to our institutional clients across our global network.

We offer a comprehensive range of foreign exchange services to corporate, trade and retail clients to effectively manage their foreign currency exposure. Over the past year, we enhanced our foreign currency trade and settlement platform, AccessFX; offering market participants real-time price discovery and liquidity on their transactions.

Through our suite of tailored fixed income services, we provide market-making, financing and securities settlement services to global institutional investor clients in support of their investing and trading activities.

Access Bank has been consistently recognized for its positive impact in the fixed income, currencies and derivatives markets in Nigeria. This is evident in our leadership position on the FMDQ league table as well as our numerous awards across the industry. For the second year in a row, Access Bank was awarded the Fixed Income Market Liquidity Provider Award at the 2020 FMDQ Gold Awards as well as recognition as the Largest Corporate Bond Issuer.

Going forward, we remain committed to creating best in class product offerings and services to our clients as we establish our position as Africa's Gateway to the World.

Financial Institutions Group

The Financial Institutions Group thrives on Creating Shared Value (CSV), which is important to our clients and beneficial to the markets and industries in which we operate. We continue to explore new avenues for strategic multi-stakeholder partnerships, influence positive market transformation, contribute meaningfully to a prosperous and sustainable economy, and provide long-term value for our clients.

Trust and commitment to our business plays a central role to the effectiveness of our value creation. This understanding has been a crucial factor to strengthening and preserving the relationship between the Bank and our clients. Our success in consistently delivering value to clients, despite operating in a highly competitive market, has been guided by our vision, "To be the World's Most Respected African Bank."

To maintain our competitive edge in a fast-changing world, where new technologies are causing disruptions in various economic sectors, we have positioned the Financial Institutions Group such that it is run on the fuel of innovation. We are creating innovative solutions to meet the demands of our expanding stakeholders who cut across various industries and sectors.

Some of our innovative solutions in 2019 include:

Mortgage Financing: Our Mortgage team leveraged on industry knowledge coupled with professional insight built on good understanding of our client's businesses. In 2019, we launched the Access Mortgage Advantage product, as a response to bridging the housing gap in Nigeria.

Insurance Advisory Service: Management and provision of excellent products and services to the Insurance industry. In 2019, we launched the Insurance Compare Application, an Insurance marketplace application that allows subscribers access online and compare rates/prices of insurance policies from different insurance companies with a view to getting the best prevailing rate for available policies.

Correspondent Banking Service: The Correspondent Banking team partners with institutions to automate initiation, processing and conclusion of transactions. In 2019, we catered for the settlement needs of major merchant and microfinance banks, including over 30 Pension Fund Administrators (PFAs). Also, in 2019, we successfully completed the issuance of the first Climate Bonds Initiative (CBI) certified Green bond in West Africa, which was also listed on the FMDQ platform.

Fixed Income Prime Brokerage: providing settlement platform to facilitate proprietary trades (specific to volume, rates and maturities) consummated by registered counterparties. In 2019, we availed over N100bn trading lines for our clients to take positions on specific pre-qualified FGN bonds to help exploit market volatility.

Client Engagements

To address the challenges faced by our stakeholders, we ensure continuous interactions and engagements with them to recognize and understand the issues that are of great importance to them. This has helped us to consolidate relationships and improve our business performance.

Over the next few years, Access Bank aspires to be among the top 10 banks in Africa, with a strong global franchise and a universal payment gateway, solidified by a robust capital base and best-practice governance structure.

Within the Financial Institutions Group, we will continue to support this vision and continually work towards being the point of reference in the Nigerian Banking System

In 2020 and beyond, we look forward to delivering impactful solutions to our clients. We hope to achieve these objectives through tailored solutions based on fresh thinking, innovation, and a highly integrated partnership approach. As a world class team of highly skilled Relationship Managers, we will continue to operate an agile product and service framework to meet the ever-evolving needs of our clientele.

TRANSACTION SERVICES, SETTLEMENT BANKING AND IT

Over the years, technology has been in a constant state of evolution which is evident in the disruptive technologies present today such as Artificial Intelligence, Internet of things, Advanced Data analytics, Augmented Reality, etc. These technologies have disrupted the Financial Services Industry and banks across the globe are leveraging them to improve their operational activities and provide quality service to their customers.

Access Bank, being a digitally-led Bank, has capitalized and leveraged on these technologies to provide innovative digital products to customers, enhance cyber security, and automate operational activities which has led to an increase in customer base, revenue, and operational efficiency.

Integration Overview

Following the announcement of the merger with the former Diamond Bank, the year 2019 kicked off the agenda to integrate the IT infrastructure and digital platforms of both entities. The project was split into two phases.

The objective of the first phase was to integrate workstations and active directories, establish connectivity between data centers, leverage synergy in applications common to both banks, consolidate talent across organizations, enable interoperability of applications and systems to serve customers of the combined entity seamlessly, and to consolidate the Contact Center and Treasury platforms. The next phase involved the integration and upgrade of our Core Banking solution, and the integration of our Channels (Mobile, Web, ATM & Cards). These activities were carried out with utmost care to keep the impact of service disruption at a minimum, making the bank probably one of the few globally to execute this scale of integration with 31 million customers.

Operational Efficiency

In line with our strategic objective, measures were also taken to ensure sustainability and efficiency in running of the bank's operations. The IT and Operations team developed a robotics initiative internally to automate the reconciliation of transactions on our 3,200 ATMs in Nigeria. . We improved the turnaround time and digitisation of over 100 processes by leveraging digital automation and Robotics

Process tools. We equipped our staff with IT Service Management skills through immersion coaching, knowledge sharing and course attendance at leading global institutions.

To also align with the operational strategic objectives, measures were taken to improve the overall effectiveness and efficiencies of the Finance & General Resource Management functions with the implementation of our new Enterprise Resource Planning (ERP) platform.

To ensure Business Continuity of the larger bank, two (2) disaster recovery testing & simulation exercises where conducted, with successful failover and failback to Disaster Recovery & Production environments respectively. We also worked on scaling and improving the performance of existing digital platforms in order to ensure optimal uptime,increased rate of successful transactions and automatic reversals of failed transactions in order to drive revenue growth and foster customer loyalty.

Digital Initiatives

In 2019, we also implemented some digital initiative in support of our Bank's aspiration to be Africa's Gateway to the World. We focused on the development of initiatives to accelerate growth as well as run the bank. New set of innovative solutions were introduced in the course of the year, some of these include; Digitalization of Trade Transaction Processing, Device Financing on QuickBucks (Lending App), Instant Business Loans, Agency Banking Replatforming, Digital Dubai Visa on Access Mobile and Enhanced USSD Banking and Digitalization of DiamondXtra to name a few. The performance of these products continues to rise steadily: 9072 agents have been enrolled on the new agency banking platform, conducting over half a million transactions in less than 6months while over 40,000 Digital DiamondXtra accounts have been opened driving circa 71,000 transactions within about 4months.

The local and international financial services industry have given public credence and recognition to our strides with our digital offerings in 2019, with the bank winning a number of prestigious awards such as: Best Digital Bank in Nigeria, Best Mobile App in Nigeria from the World Finance Awards, London

- Ecosystem Recognition Award from Fintech NGR
- Best Use of Big Data for Banking from the Digital Innovation and Excellence Awards, Ghana
- Best Financial Inclusive Bank of the year from the Banking Technology Awards, Nigeria
- Best use of Risk Management and security initiative from the Banking Technology Awards, Nigeria
- Special Recognition as Agile Practitioners Award from eXperience Agile (XA), World Agility Forum at Av. Brasília, 1300-598 Lisbon, Portugal.

Governance and standards

To ensure effectiveness in the delivery and optimization of performance to increase productivity, we took measures to ensure strict adherence to global standards and best practices in this regard in our operations. Notable achievements include:

- OHSAS Recertification: We achieved recertification in Occupational Health and Safety Standard (OHSAS).
- ISO27001 Certification: We achieved recertification for the ISO27001 standard for Information Security
- ISO 22301 Certification: We achieved recertification for the ISO 22301 standards for Business Continuity Management.

Currently, the Bank is implementing the ISO 20000 standard (IT Service Management) to buttress the high service expectations that the Bank aims to continuously provide to customers.

In closing, this year we were able complete the integration of Access Bank and erstwhile Diamond Bank successfully under five months, deliver digital initiatives, improve uptime of our digital platforms and improve the stability of our technology platforms. The year 2020 will kick-off with the ongoing implementation of our strategy to become 'Africa's Gateway to the World' with innovative initiatives and projects in the pipeline. We will deepen the use of analytics, complete the full digitalisation of our core operations, extend the reach of our digital payments platforms and drive customer engagement and insights through the use of AI tools. We will indeed give our customers more, and advance closer to our vision of becoming the World Most Respected African Bank.

DIGITAL BANKING

As part of our 2018-2022 strategic goals, Access Bank set out to become the leader for digital transformation in banking and beyond. In a quest to implement this vision, we set out a rolling plan which focused on scaling customer growth, targeting acquisition and delivering exceptional customer service by leveraging digital technologies. This indicated that we anchored the provision of value to our customers on innovation and technologies that help us scale up.

During the second year of our 2018-2022 five-year strategic plan, our digital banking landscape has attained a series of milestones that have provided value for all our stakeholders. These milestones aim to provide innovative solutions to existing customers, and to aid financial inclusion though provision of digital services to the underbanked and unbanked.

The implementation of the digital transformation journey spans the entire group. While deploying services and digital products across the parent and subsidiary levels, we took into consideration the various types of market we operate in, providing products that would be accepted in their respective markets.

Specifically, some of our strides in product development are listed below:

Access Africa

Continuing our focus on powering digital payments across the African continent to facilitate cross-border trade and non-trade payments, our Access Africa funds transfer product now enables seamless transfers to over 15 countries and is being extended to cover a wider number of countries in 2020.

PayDay Loan

Our digital flagship loan product, and possibly the fastest loan disbursal platform in the world, Payday Loan continued to leverage technology to provide instant and accurate credit checks on customers prior to loan disbursement. Building on the achievements in 2018, we have made the product available not just on USSD (*901*11#) and online banking platforms, but also at our 3,200 ATMs across Nigeria, and via Access Mobile, and WhatsApp Banking, as well as QuickBucks – our new instant loan disbursal app. Within the year 2019, Payday Loan disbursed over N63 billion to more than 3 million customers.

Tamada

Our Artificial Intelligence Personal Banker 'Tamada' now offers an extended set of features. These range from standard banking services (open accounts, pay bills, perform intra- and inter-bank transfers and so on) to weather forecast, sports update, traffic update, investment advice, cash out services, news update, live chat with customer care, and more.

WhatsApp Banking

Our WhatsApp Banking solution leverages the power of social media to reach millions of potential customers to engage them through transactional banking services. The features include Account Opening, BVN Checks, Balance Enquiry and PayDay Loan, plus profile updating and more.

Some of the critical digital innovations that helped us to attain scale include:

- Implementation of the API Gateway – The Application Program Interface (API) Gateway supports the agility and scalability of the Bank to securely integrate with international money transfer organisations and financial technology (fintech) companies, reducing our time to market.
- Consolidation of Access Bank's 'Tamara' and Diamond Bank's 'Ada' to form a consolidated and robust platform known as 'Tamada' – our AI-Powered Personal Banker.
- Implementation of the Near Field Communication project to support payments in the agricultural value-chain and also to aid collections and payments in Nigerian universities.
- Implementation of Project Boost – an all-encompassing agency banking solution that leverages on partnerships with various telcos and fintech companies to bring banking services to the doorstep of customers.

Channels

We have also provided an omni-channel experience for customers by delivering unified, seamless and consistent interaction across multiple customer touchpoints where intents are captured, insights are derived, and conversations are personalized and optimized. Customers can use one set of login details to access multiple digital platforms, as well as for transaction authentication. With this, customers do not need to remember multiple login details for different platforms, as the experience has been unified.

Integration Overview

Following the announcement of the merger between Access Bank and the defunct Diamond Bank, we followed a clear systems integration approach. A standard IT systems integration of such magnitude usually requires about 24-36 months but was completed in just 5 months. This was possible because we had a shorter learning curve arising from lessons learnt from our previous mergers. The integration process was broken down into two phases for proper planning execution and monitoring.

From December 2018 to April 2019, we achieved the following:

- Interoperability of key systems and applications
- Harmonization of branding, alerts and notifications
- Elimination of charges for funds transfer within the combined entity

From May 2019 to October 2019, we achieved the following:

- Consolidation of core banking applications
- Consolidation of channels
- Infrastructure capacity building

As part of our drive to lead the fintech space in Africa, the Africa Fintech Foundry (AFF) engaged stakeholders in the ecosystem through various programmes designed to entrench our lead, as follows:

2019 Disrupt Conference

On May 16th 2019, AFF held the second edition of the Disrupt Conference, themed 'Digital Gold Rush: Building a Sustainable Tech-Economy'. The conference attracted over 13,000 delegates (8,000 onsite and 5,000 online) comprising a mix of industry leaders, technology enthusiasts, subject matter experts, developers, product and project managers, making it the largest technology conference held on the African continent to date.

The structure of the conference included:

- Keynote addresses, fireside chats, masterclasses, demos and exhibitions.
- Interactive panel discussions on: Securing Seed and Growth Funding, The Future of Gaming and Artificial Intelligence, Regtech, and Disruptive Banking.
- Masterclasses on: Artificial Intelligence, Payments, Cybersecurity, Blockchain, and Digital Transformation.

- World-class speakers and a phenomenal array of exhibitors who are industry and thought leaders in the technology space.
- Line up of start-ups showcasing how technology is being used to disrupt traditional models across industries.

Prior to the conference, we organised a start-up challenge where 16 start-ups showcased and presented their ideas. Sectors focused on included Health, Financial services, Real Estate, and Lending, amongst others. The best five start-ups were chosen to make demo presentations at the conference. Gricd, a start-up that provides affordable and portable cold chain devices for efficient storage of vaccines, blood and other health and agricultural products, emerged the winner at the conference.

Hackathons, Corporates and Tech Hub Collaboration

Collaboration between partners in the tech ecosystem is key for fostering innovation in the continent. AFF has become the bridge between a massive start-up ecosystem and a wide range of partners, including large corporates, innovation hubs, accelerators and so on. For the corporates, it becomes easier for these entities to enter and create new markets. For the start-ups, they are able to develop feasible and scalable products. For the innovation hubs, we exchange quality start-ups within our ecosystem and uniquely provide access to a much larger market.

A number of large corporates continued to collaborate with AFF in 2019 to bring out the brightest minds in their organisation, as well as solve some of their biggest technology challenges.

As part of supporting our corporate customers in solving their technology challenges, we organise hackathons, bringing together multiple teams of talented developers, designers, problem-solvers, out-of-the-box thinkers, dreamers, doers, makers, and code pundits to solve clearly defined problems over an intense weekend. Our last hackathon was targeted at developing a loan default prediction model to reduce non-performing loans (NPLs) and an alternative credit scoring model driven by the transaction details and history of all customers.

Start-Up Pitches, Meet-Ups and Guided Ideation Sessions

AFF is always looking for ways to collaborate and help young start-ups to scale up.

We have Pitch Fridays where we bring a group of high-potential start-ups to pitch their solutions to us and our extended stakeholders, in order to better understand and jointly provide innovative ways to help them grow.

On conclusion of these pitches, we decide on the next steps to take with these start-ups. These include introducing them to our investors network and granting them access to larger markets, using Access Bank as the starting point.

From January 2019 to date, we have reviewed over 200 tech start-ups in different industry areas.

The fintech landscape is evolving rapidly, and Access Bank is well positioned to perform favourably and dominate the space in Africa.

Outlook for 2020

As part of our futuristic and immediate plan, we intend to leverage frontier technologies like Artificial Intelligence, Data Analytics, Internet of Things (IoT), Blockchain and Robotics Process Automation (RPA) more deeply. These technologies will provide more insights for customer segmentation which would help to offer products uniquely suitable for their customer segments, as well as expand existing customer segments and discover new ones. This will further show that our digital posture is providing value for different types of customers. More specifically, we intend to do the following:

- Redefine customer experience by focusing on mobile digital products that allow customers to customize products to their taste.
- Leverage analytics insights to drive sales, reduce churn and support strategic decision making.
- Upgrade branches to smart branches.
- Deepen partnerships with the fintech ecosystem to realize innovative solutions for our customer base.

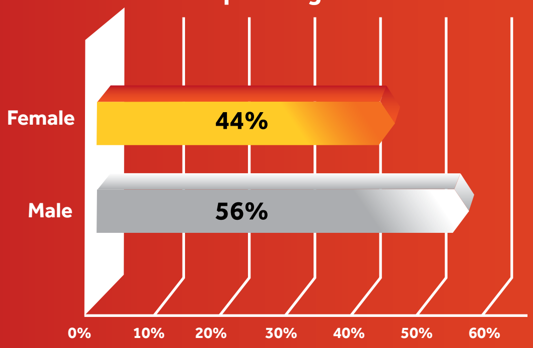
Digitally Yours

OUR PEOPLE, CULTURE AND DIVERSITY

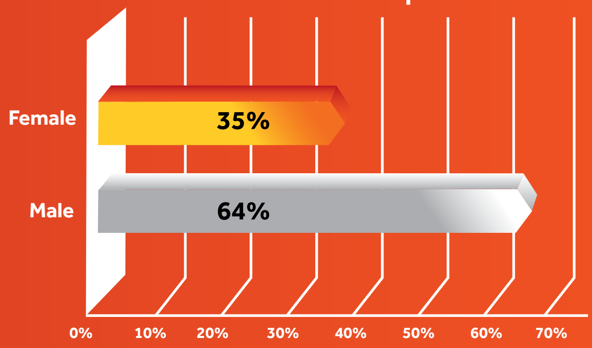
Our people will continue to be our greatest resources and central pillar of our value creation and delivery of our vision of becoming Africa's Gateway to the World. We are committed to allocating our resources to achieve our set goals in sustainable way while we continue to deliver exceptional service to customers.

In 2019 with business combination of the Bank with Diamond Bank our workforces grew from 15,316 to 31,987 employees across the Group with 49% of them female and 51% male.

Top Management Staff



Board Membership



The Bank remains committed to an inclusive culture that creates a platform for both genders -female and male to thrive. The Bank continues to attract, develop and retain the most capable employees from all cultures, countries, ethnicities and genders across the world. The Bank will continue to leverage diversity as a key to sustainable business growth.

Engagement

Employee engagement and performance management was the focus of people management in 2019. Our engagement programme across the group was focused on making our employees understand the rationale and the benefits of the merger, understanding the vision and corporate philosophy of Access Bank, and importance of the Bank's merit-driven culture and team work.

Building Capabilities

We are committed to developing our people into world class talents and providing them with a work environment that is conducive. We recognise that investment in employee development will improve performance, retention rates, innovation, and ultimately customer satisfaction.

In 2019, a total of 25,482 employees benefited from various training interventions with a total of 467,320 learning hours. This was 133% of the training hours targeted. The training was focused on IT & Digital Capabilities, leadership, Retail, Risk management, Treasury and customer service capabilities among others.

Rewarding Our Employee

The Bank continues to reward employees who have distinguished themselves by performing above expectations in their contribution towards meeting the Bank's objectives.

The 2019 Group CEO Awards was held on May 31, 2019 to appreciate employees and reward outstanding performance as well as motivate towards better performance. Award winners were drawn from different segment of the workforce across the Group Office and the subsidiaries.


Team with the best innovation of the year-Processmaker Team


Profit Center of the Year-Treasury Group

Employee of the Year-Daniel Awe pose with the GMD


Cost Center of the Year-Insurance and Mail management Team

Employee initiatives

When our communities thrive, we thrive. We continue to empower our employees to contribute positively to the development of our host communities. The following are some of the highlights of our employees volunteering activities in 2019:

Retail Banking- Project L.E.A.D

The Retail Banking Division in 2019 embarked on the Project L.E.A.D (Leadership. Enterprise. Academic Development) in partnership with Project REVAMP Africa. The project aimed to instil leadership and moral values in children and equip them with the right skills to thrive and achieve academic excellence. The Project L.E.A.D was two pronged such that the Group contributed towards the total wellbeing of the children by instilling the requisite knowledge and upgraded the facilities within the schools.

In addition, the Project L.E.A.D adopted public secondary schools across five geo-political zones (South-West, South-East, South-South, North East, North Central) in the country and provided the students with knowledge on Values and Morality, Time Management, Goal Setting and Financial Literacy. As such, over 9,450 students have been impacted. Also, libraries across the schools were upgraded with books. In addition, employees within the Group committed over 18,505 hours.

The Service and Innovation Group- Health Facility Upgrade

In 2019, the Service and Innovation Group (SIG) embarked on the infrastructural upgrade of Alli Dawodu Primary Health Care Centre, Yaba. The infrastructural upgrade aimed to increase access to better quality medical equipment's by the medical personnel of the hospital as well as access to quality health care services by the residents of the host community.

Furthermore, the group refurbished the medical facility through the installation of signages, painting of the building, repairs and provision of medical equipment's. The group staff members committed a total of 3,920 hours, and over 13,000 people will benefit from the improved access to medical treatment in the hospital.

Information Technology-The Science Set Initiative

The Information Technology Group in 2019 embarked on the "The Science Set Initiative". This initiative aimed to provide solution to the challenges of poor science laboratories in seven selected government secondary schools across Lagos. The initiative exposed the students to practical science using the science set, that was donated to the schools. The group staff members committed a total of 449 hours, and over 200 students benefitted from the science set program. In addition, the initiative has improved access to quality educational facilities most especially for students in public schools.

Internal Audit- Adopt a School

In 2019, the Internal Audit Group adopted the Akodo Primary School and Mainland Model Primary School in Mushin, Lagos. The project focused on the renovation of dilapidated restroom facilities for both students and staff of the schools including; removal of faulty toilets and tiles, installation of new water closets, wash hand basins, shower stands in bathrooms, taps and tiles installations. The Group staff members committed a total of 2,364 hours and over 450 students have benefitted from this project. In addition, residents of the host community now have better access to quality educational facilities for learning.

SUSTAINABILITY REPORT

SCOPE OF THE REPORT

This report outlines Access Bank's sustainability strategy, programmes and performance during the calendar year 2019. It's aimed at stakeholders who want to learn more about our commitment and approach to sustainability across the triple bottom line of people, planet and profit.

SUSTAINABILITY STRATEGY

Sustainability has been part of our core values for more than a decade, as we strive to act responsibly for all our stakeholders. It is fully integrated in our business operations and practices, allowing us to maximize opportunities in areas such as technology, innovation, and employee engagement. It also helps us to predict and mitigate risks in our operations and business performance.

Access Bank aligned its sustainability strategy with its corporate objectives by reviewing its corporate philosophy (vision/mission/core values) in line with its sustainability agenda. The Bank's sustainability vision is: "To be the Most Sustainable and Respected Bank in Africa, financing and facilitating brighter futures for all our stakeholders through innovative services and best in class operations". This directly builds on the corporate vision, "To be the World's Most Respected African Bank", embedding the concept of sustainability and shared value at its core.

This vision is hinged on the Bank's strategy, and aims to finance a sustainable future for all, harnessing global and local partnerships to develop and execute strategic interventions to address sustainability challenges in line with international best practices. It emphasizes fostering growth and creating wealth sustainably, promoting human dignity, environmental conservation and generally improving quality of lives.

Sustainability is integrated into Access Bank's planning/management process, supporting the achievement of its vision and mission, because sustainability influences all key components of 'respect'. Based on Accenture's corporate trust research and Fortune's 'Most Respected Companies' methodology, a 'respect model' was developed for Access Bank, which demonstrates the importance of sustainability across all defined elements.

The alignment is further reinforced through implementing a robust sustainability strategy framework directly supporting the corporate strategy. This framework indicates key aspects of sustainability, including its relationship with corporate strategy, overall vision, key impact areas and supporting capabilities.

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

Inherent in the Bank's five-year strategy (2018 - 2022) is the sustainability transformation agenda, which rests on key levers to achieve an enlarged, efficient and digitally led tier-one financial institution. In line with this, sustainability remains a critical bedrock in the merger between Access Bank and defunct Diamond Bank. This is evident, among other areas, in: the automation of all Bank's processes; a deliberate strategy for increased agency banking to reach unbanked/underserved segments; zero downsizing of employees; and an enhanced and restructured sustainability champions network.

OUR SUSTAINABILITY JOURNEY

In 2008, Access Bank established a dedicated unit focused on embedding sustainability in the Bank's business. Pioneering sustainability reporting in the Nigerian financial sector in accordance with the Global Reporting Index (GRI) guidelines in 2009 set us apart as a pacesetter in the industry. In that same year, we became a pioneering signatory to some reputable organizations such as Equator Principles, Business in the Community (BITC), United Nations Principles for Responsible Investment (UNPRI), and London Benchmarking Group, the global standards for measuring, benchmarking and reporting on corporate community investment.

We convened the first-ever Nigeria Sustainable Finance Week under the theme, "Moving Frontiers – Sustainable Finance', in collaboration with the United Nations Environment Programme Finance Initiative (UNEP FI) and The Netherlands Development Company (FMO) in 2011, with the aim of educating stakeholders in the Nigerian financial sector about opportunities in sustainable finance. During the period, we became the first financial institution in Nigeria to deploy a customized Sustainable Finance Toolkit to assist in screening projects to identify potential environmental and social risks.

Through the years, we have shown an unwavering commitment to sustainability, evident in our leadership role in developing the Nigerian Sustainable Banking Principles (NSBPs) in 2012 – a set of nine principles by which all banks in Nigeria are encouraged to live the sustainability ethos. We have maintained our position as the Chair of the NSBP Implementation Steering Committee, providing leadership, guidance and support to other Nigerian banks.

Following the unveiling of the W initiative - a one stop focal point for all Access Bank's offerings for women in 2014, we also launched the Maternal Health Support Scheme (MHSS) aimed at offering discounted financing for medical procedures peculiar to fertility treatments and new-born babies.

In 2016, we commenced a strategic partnership with the Aspire Coronation Trust (ACT) Foundation, through which we have continued to provide funding for the delivery of grants to non-profit organizations across Africa. The funding we deliver has facilitated the support of non-profits to achieve their goals to improve health outcomes, build leadership capacity and support income-generating activities.

In 2017, we launched our Employee Volunteering Awareness Day (EVAD) – a day set aside to commemorate the efforts of employee volunteers whilst creating awareness on the need for strategic community investment initiatives in society. We also commenced the Save Today Take Tomorrow campaign, which is focused on driving financial inclusion and stimulating a savings culture among families.

Working with UNEP FI and 27 other global banks as the only Sub-Saharan African bank, we developed the Global Principles for Responsible Banking in 2018. The Principles aim to provide the banking industry with a single framework that embeds sustainability at all levels and in all business areas, in line with society's goals, as conveyed in the Sustainable Development Goals, the Paris Climate Agreement and significant sustainability frameworks.

Following the merger with Diamond Bank in 2019, Access Bank formalized its sustainability statement of purpose "impacting lives positively now and in the future" and reflected this in its brand strategy. The Access More campaign was therefore launched to communicate the sustainability statement of purpose which reflects 'More Than Banking' – with more access to inclusion, more access to finance, more access to green products/services, more access to quality education, more access to quality healthcare and more access to safe water, amongst others.

STAKEHOLDER ENGAGEMENTS

Our stakeholders are employees, customers, suppliers, investors, regulators, communities and other entities that can affect or be affected by our activities and operations. Maintaining an open dialogue with our stakeholders is essential to understanding their interests and expectations.

To address the challenges faced by our stakeholders, we ensure continuous interactions and engagements to recognize and understand the issues that are of great importance to them. This has helped in the effective implementation of our sustainability policies and strategies, thereby consolidating relationships and improving our business performance.

The policy and strategy is communicated to our employees through daily feedback and employee surveys, happy hour sessions, retreats, recognition and awards. Through daily two-way interactions, customer surveys, forums and the Voice of the Customer solution, we understood and responded to the needs and primary interests of our customers.

Communication of our policies and strategies is made to our customers through daily interactions at our branch offices, on our website, through customer surveys, events, meetings and business forums, periodic publications like the customers' digest and other publications, social media, discussions and focus groups.

We also communicate these policies and strategies to our shareholders and investors through our annual reports and accounts, public announcement of quarterly results, annual general meetings (AGMs), shareholder association meetings and deal and non-deal roadshows. We communicate our sustainability policies and strategies to our suppliers through emails and letters, forums, events and exhibitions, visits to their business sites and in other ways. To our communities, we communicate our sustainability policies and strategies through community outreaches, employee volunteering initiatives, and partnerships with community-facing Non-Governmental Organizations (NGOs), as well as charitable donations and sponsorships.

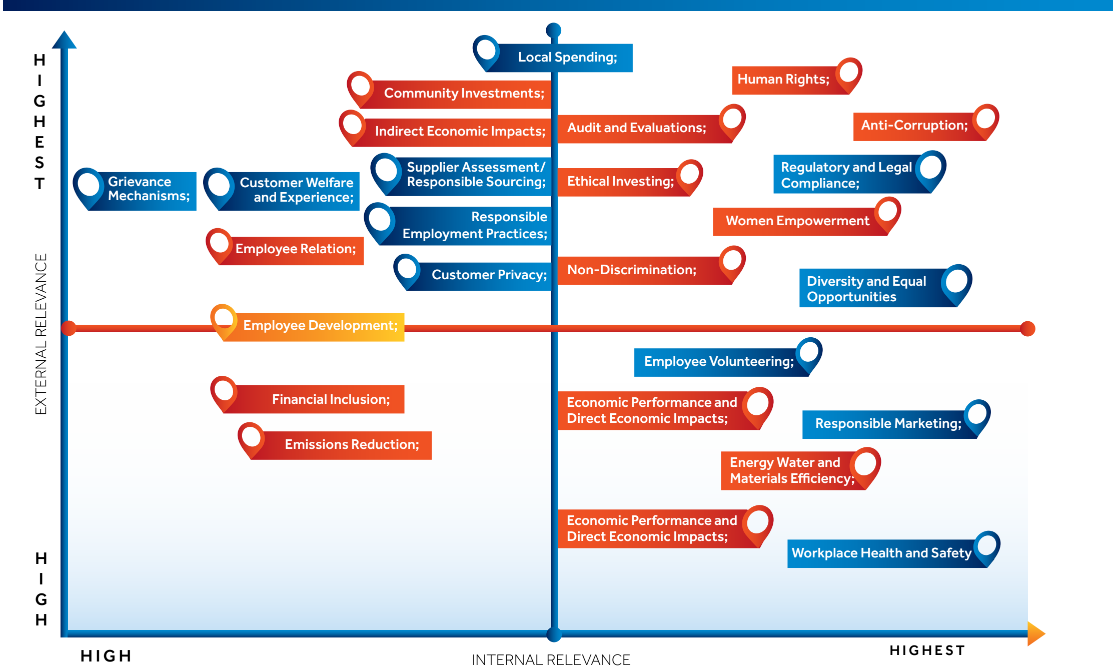
We communicate with regulators through consultations, industry working groups and committee meetings, on-site meetings and supervisory visits by representatives of regulatory bodies, and in other ways. The Bank provides periodic reports to other voluntary and regulatory bodies, coalitions and organizations

MATERIALITY

Staying focused on what really matters for our business and for our stakeholders is the cornerstone of our sustainability strategy. Dialogue with our stakeholders helps us analyse issues that are relevant to them. These issues range from the environmental, social and economic to the impact of our governance process. We regularly refresh and update our materiality analysis through a variety of activities. In 2019, alongside our ongoing stakeholder engagement, we carried out additional research, including interviews and surveys with internal and external stakeholders, for the purpose of defining the scope of this report.

As sustainability challenges and opportunities are constantly evolving, we continually monitor external trends, emerging issues and changing perspectives. We assess their relevance and importance in terms of the risk and opportunities for Access Bank. Our materiality analysis shapes the way we do business, helping us to determine our most important sustainability issues and manage them effectively. This process helps Access Bank to build a matrix of these issues and assess their importance.

MATERIALITY MATRIX



These issues are identified through continuous dialogue with our stakeholders, which engenders value for both our stakeholders and our business. We embrace dialogue in a balanced and respectable manner to understand various perspectives on strategically relevant topics. This is important to demonstrate our commitment to society and for our future business success as we aim to build long-term trust with our stakeholders.

STAKEHOLDER INCLUSIVENESS

At Access Bank, sustainability is integrated into our overall strategy, with focus on best serving the diverse interests of its key stakeholders, The Bank therefore integrates environmental, social and governance considerations into its business practices and decision-making processes.

The Bank amongst other things:

- Creates sustainable value for its shareholders while ensuring high level of corporate governance.
- Engages only in responsible lending, marketing and advertising to our customers while ensuring that our products and services are value-adding and accessible.
- Remains an equal opportunity employer, engaging only in fair practices and promoting diversity while ensuring rewarding career opportunities, training and attractive working conditions for employees.
- Always considers the environmental and social issues that arise in financing projects. We conduct an environmental and social risk impact assessment of potentially damaging projects and the ability of the borrower to manage their impact, as part of our normal credit and risk procedures.
- Positively contributes to the economic development of the countries where we operate while also engaging in community development initiatives to make the society a better place for individuals and business organizations.

Stakeholders	Material Issues Raised	Our Responses
Employees	• More training opportunities • Review of the performance management process • Improved work-life balance	• We provided an array of platforms for capacity building, including training, talent mentoring conversations, ongoing performance reviews and an environment that is conducive to growth. • We maintained our shutdown policy to enable employees to leave the office earlier and spend more time bonding with family and friends.
Customers	• Long wait time to speak to an agent • Lack of adequate follow up • Delayed resolution • Inability to access services, loans, and applications • Attitude of staff at branches	• Engagement of customers to determine specific issues. • Escalation to relevant units/persons for resolution. • Investigation of complaints. • Follow up and resolution of identified issues. • Reversal of disputed funds (where required). • Communication with customers regarding resolution. • Redesign of processes to prevent future failures, as well as development of sustainable resolution. • Improved efficiency of the Ombudsman process to increase first-time resolution (FTR). • Recruitment of staff to reduce issue resolution waiting time.

Shareholders and Investors	Challenging economic climate	• We improved on our existing products and services and we created alternative products with zero risk but equivalent value. • Access Bank's balance sheet remains well-captured with diversified funding profile and strong coverage ratios.
Our Communities	• Increased rate of sexual violence • Increased rate of depression among young people • Trust in the financial sector	• We launched the Salvus project – A sexual violence response intervention platform aimed at increasing access to support for survivors of sexual violence. • We organized a symposium and follow-up sessions in partnership with the HACEY Health initiative to address the issue of depression among young people. • We continued to build a steady relationship with our communities, which is evident in the increase in the number of our customers and investors in 2019.
Regulatory bodies	• Financial sustainability	• We invested in improving our digital infrastructure to ensure that our processes and administrative activities are properly monitored. • We also invested in developing the skills of our employees and partner organizations through training on anti-corruption, bribery, and money-laundering. • Access Bank ensures compliance with regulatory requirements of the Central Bank of Nigeria and the Security and Exchange Commission.
Media	Issues around the merger and how it affects stakeholders	Constantly reaching out to various stakeholders through our media partners helps them understand that the merger is one that is beneficial for all. It also helps us gain their trust and confidence in the process.
Suppliers	• Pricing • Payment terms • Service delivery	We carried out due diligence before resolving issues, which arose from what we discovered.

ECONOMIC SUSTAINABILITY AND NATIONAL SUSTAINABLE DEVELOPMENT

At Access Bank, we believe in helping businesses grow, eliminating the barriers to financial inclusion through our wide range of financial products suited to the peculiar needs of individuals, businesses, institutions and governments, thereby achieving our goal to facilitate and finance sustainable economic growth. We are at the vanguard of sustainability regulation and thought leadership, leading the way in sustainable finance by delivering value-adding products and services which contribute to the economic and social progress of our communities.

The markets in which we operate are among the most challenging in the world, with multiple developmental issues. Whilst these challenges create opportunities, we are devoting our resources to achieving results and making impact through the power of finance. As a result, we promote access to banking along with social inclusion, while contributing to the development and presentation of our communities.

We demonstrate our continued dedication to financial sustainability, responsible and inclusive finance, and sustainable development through our strategic partnerships and collaboration with formidable institutions. Addressing responsible business needs of the communities in which we operate and providing genuine solutions that help improve them is of utmost importance to us.

Proving itself yet again as a leader in sustainable finance, Access Bank issued a 5-year Fixed Rate Senior Unsecured N15 billion Green Bond in 2019, which is the first-ever Climate Bonds Initiative (CBI) fully-certified corporate green bond in Africa. The Green Bond proceeds are used to finance eligible green projects, based on assessment of whether the funds are applied to eligible sectors, in line with CBI standards.

The Bank's Board of Directors approved the bond after the launch of the Nigerian Green Bond Market Development Programme in 2018, in partnership with FMDQ OTC Securities Exchange and the Securities Exchange Commission (SEC) of Nigeria. This was in anticipation of the issuance of the Green Bond which saw its offer by way of a book build fully subscribed.

SOCIAL SUSTAINABILITY

At Access Bank, our goal is to facilitate and finance sustainable economic growth – leading the way on sustainable finance, financial inclusion, helping develop enterprises and being at the forefront of sustainability regulation and thought leadership. This has empowered us to make strategic social investments.

Human Rights

Access Bank fully demonstrates respect for human rights and all related charters on the subject matter. Our Bank's documented human rights policy guides our organization-wide actions in a manner akin to the Universal Declaration of Human Rights. We demonstrate our respect for the rights of all people through our gender-inclusive, equal opportunities and non-discriminatory workplace culture. At Access Bank, we respect the rights of all people, men, women, old, young, people living with HIV/AIDS (PLWHA), and the disabled, amongst others.

In addition, we also promote human rights compliance through our lending decisions and supply chain relationships. Our procurement and credit risk teams, adopt due diligence processes which ensure that the Bank does not conduct business with prospective borrowers or vendors that have questionable human rights records. Access Bank was the first Nigerian bank to have a fully operational workplace policy on HIV/AIDS. We pioneered the HIV/ AIDS Workplace Policy Programme across all our subsidiaries.

We have continued to maintain a grievance mechanism on human rights, among other issues, through our whistle-blowing line, through which our internal and external stakeholders can report any human rights abuses. Clearly, the availability of this line has strongly guarded and prevented employees from indulging in human rights abuses.

WOMEN EMPOWERMENT AND GENDER INCLUSIVENESS

Our leadership is actively involved in the initiation and implementation of strategies, policies, programmes and resources for diversity and inclusiveness. We remain committed to improving gender diversity at all levels, focusing on the workplace, marketplace and community. Through participation in a number of external partnerships, we promote equality across the industry and wider business, and we engage with our colleagues to further our diversity agenda in several ways.

Key 2019 highlights included internal and external advocacy about gender-based domestic and sexual violence, with key decision-makers pledging to challenge discriminatory behaviour, as well as our International Women's Day campaign. We launched our flagship 'Pitch-a-ton' campaign to female-owned businesses, focusing on providing grants and financial management support for better business management. Furthermore, 2019 witnessed the growth and promotion of our W Initiative, the foremost full-fledged women empowerment programme, designed to profitably and sustainably address the needs of women to be inspired, connected and empowered.

We continue to showcase our commitment to the social and economic empowerment of women in Nigeria, Africa and the world at large.

Access Women Network (AWN)

With the aim of improving gender diversity within the Group, the Access Women Network was formed to support, develop, promote and retain female employees in the Bank. Since the signing of the Female Network Charter in 2010, we have seen a positive trend in female representation, especially in our senior leadership roles, increasing to 35% in 2019. This is a clear indication of Access Bank performing above national and industry averages

In 2019, the AWN increased its efforts to ensure that women across the Group were impacted in one way or the other. These include a Top Management Leadership Programme in May, a Networking Masterclass in June (for about 50 female employees), Mentorship-Sales Workshops in two cities between July and August (for about 500 female employees), the AFF STEM summer school in August (for about 60 wards of AWN Members), and the WIMBIZ Annual Conference in November (about 20 active members), amongst others.

Major initiatives of the AWN in 2019 included:

W Health Awareness Month

To promote health and wellness, the Access Women Network supported the W Initiative to organize the W Health Awareness Month to raise awareness, advocacy, and support for health issues which gravely affect Nigerian women. To do this, a series of awareness activities and programmes focused on five health issues – Infertility, Endometriosis, VesicoVaginal Fistula (VVF), Cancer, Maternal and Neonatal Mortality – were organized. The campaign was rounded off with an advocacy walk tagged "Walk for Women's Health" held on October 26, 2019, where Nigerians came out en-masse to walk in support of this cause.

World Sight Day

In commemoration of World Sight Day, Access Women Network, in partnership with ACT Foundation, organised free eye screening tests and recommended corrective lenses (free eyeglasses) at two of its locations. The two-day exercise held on October 24-25, 2019, was open to both customers and employees as part of the Bank's efforts to address existing gaps in eye health as well as improve the quality of life of participants. Over 500 employees were screened to identify individuals with eye defects, and 100 new pairs of glasses were recommended and given to those with primary refractive errors such as near-sightedness, far-sightedness and astigmatism, amongst other defects.

Orange Lecture

As part of the Bank's efforts to address human rights violation and gender-based violence, Access Women Network and Genesis House organized the 2019 edition of the Orange Lecture. This is part of our participation in the global United Nations UNiTE to End Violence against Women campaign, which runs from November 25 to December 10 as 16 days of activism. The campaign is to raise public awareness and increase political will and resources towards preventing and ending all forms of violence against women and girls in all parts of the world.

The lecture, now in its fifth year, was held on December 4, 2019 at the Bank's Head Office. Various stakeholders convened to contribute to the ongoing discourse on gender-based violence as well as efforts on rehabilitation and support services for post-ordeal recovery.

AWN Women Talk - Ghana

A talk was organized for the AWN Ghana Chapter to exchange knowledge and learning as they shared their personal and career journey. The purpose of the talk was to inspire, empower and encourage all 321 female staff in Ghana to attain great heights in their personal and corporate lives.

World Breastfeeding Week

The aim was to celebrate nursing mothers in the Bank and to highlight Access Bank as an employer of choice. About 30 nursing mothers participated in the series of events, which took place between August 1-7. Free parking spaces were reserved for them and tips were sent out by the W community on breastfeeding. 25% discount was offered to all female staff at the Baby Bliss stores nationwide.

FHI 360 also nominated the Bank as "World breastfeeding hero in the private sector".

Global Gender Summit

The summit was hosted by the African Development Bank (AfDB) in Kigali from November 25-27. IFC has partnered with AfDB to organize a Tackling childcare session featuring public, private and not-for-profit stakeholders in a conversation aimed at shedding light on the need to address childcare barriers as a key enabler for women's participation in economic development, as well as to explore solutions and opportunities for collaboration.

Access Bank through the Access Women Network was invited as a panellist to showcase best practice in employer-supported childcare, demonstrating the business case for companies to invest in it and the gains for women as employees.

COMMUNITY INVESTMENT

At Access Bank, we make deliberate efforts to support the growth, development and prosperity of communities and societies in which we operate. As such, we support various initiatives, projects, organizations and events focused on making positive impacts. Our Corporate Social Responsibility priority areas are: health, education, sport, arts, the environment and social welfare.

Since 2015, we have invested N9.34 billion in various corporate social responsibility initiatives, thereby impacting 1,316 communities, reaching 30,075,356 lives and 793 non-governmental organizations. Some of our most notable social investments in 2019 included:

NiBUCAA – HIV Testing Services (HTS) at the Access Bank Lagos City Marathon

Access Bank, as host of the 2019 Access Lagos City Marathon, themed the event "Define your Race' and, as co-Chair, NiBUCAA, leveraged the marathon platform to create awareness on HIV Testing services. To this end, the Bank partnered with NiBUCAA and HACEY Health Initiative to promote messages on HIV prevention, counselling, testing and referrals to athletes as they picked up their marathon kits at Teslim Balogun Stadium, Lagos; also to community members around the location as well as on the race day at Eko Atlantic, Lagos.

Outcome Assessment

Location	• Teslim Balogun Stadium, Surulere, Lagos • Eko Atlantic, Lagos
Objectives	• To promote messages on HIV prevention, provide HIV counselling, testing and referrals to athletes and community members around the race path.
Key Activities	• HIV counselling and testing: Social mobilization for HIV counselling and testing was carried out by experienced and trained counsellors and testers who provided adequate information and support about all aspects of HIV counselling and testing. • Information, education and communication materials: Mobilization was carried out and people were provided with HIV information through education and communication (IEC) materials and one-on-one engagement. • Voluntary testing of young persons: This was carried out using standard procedures and kits. Confidentiality of results and individuals were maintained. Cases of sexually-transmitted infections and HIV were referred to health facilities for management.
Outcome	Through this initiative, the Bank was able to achieve the following: Direct outcome: • 2,620 people were counselled and tested. • 1,259 females were counselled and tested. • 1,361 males were counselled and tested. • 8 HIV reactive cases were discovered. • Over 7,000 condoms were distributed. Wider impact: • Over 1,000,000 Nigerians were reached with HIV prevention messages via online and physical activities before, during and after the Access Bank marathon. • A video documentary on key activities of the HIV Testing Service (HTS) programme was produced for advocacy and promotion after the programme.

NiBUCAA – Commemoration of Zero Discrimination Day

The Nigerian Business Coalition Against AIDS (NiBUCAA) is the voice of the private sector's response to HIV and AIDS in Nigeria. The organization was set up to aid the private sector in capitalizing on their unique strengths and proficiencies to HIV programme areas and mitigating the impact of HIV and AIDS in the workplace and society in general.

As Co-Chair, NiBUCAA, Access Bank partnered with NiBUCAA and Hacey Health Initiative (the NiBUCAA implementing partner) to commemorate the World Zero Discrimination Day on March 8, 2019 at the Access Bank Head Office. This programme aimed to reduce discrimination against people living with HIV/AIDS, and to promote calls for action to change discriminatory laws and practices, which are a significant barrier for access to health and other services.

Outcome Assessment

Location	• Access Bank Head Office
Objectives	• To raise awareness on the rising cases of HIV stigmatization in Nigeria and empower media personnel to develop content to reduce it.
Key Activities	• Youth and Media Forum This involved the following: o Youths and media representatives were hosted to identify actions to reduce the prevalence of discrimination in Nigeria. o Awareness creation on rising cases of HIV stigmatization in Nigeria. • Media personnel were empowered to develop content and advocacy tools such as soap operas, musicals to reduce HIV discrimination. • Information, education and communication materials were distributed. Social Media Campaign • A campaign titled "#IPledgeTo" was launched and participants pledged to the Zero Discrimination Day to inspire people to fight against any form of discrimination. • Campaign promotion was on Twitter and Instagram.
Outcome	Through this initiative, the Bank was able to achieve the following impact: • Over 115 youths were empowered with the HIV discrimination message. • Over 115 participants pledged to campaign for "#IPledgeTo at the event.

Corporate Alliance on Malaria in Africa – Commemoration of the 2019 World Malaria Day:

World Malaria Day (WMD) is an international event commemorated every year on April 25, and recognizes global effort to control malaria. The 2019 global theme for WMD was 'Ready to Beat Malaria'. The theme underscores the collective energy and commitment of the global malaria community in uniting on a common goal of a world free of malaria.

The Corporate Alliance on Malaria in Africa (CAMA) is a GBCHealth-led initiative to drive partnerships for malaria control and elimination. CAMA serves as a platform for organizations in Africa to share best practices, create new partnerships and gain visibility for malaria control efforts across the continent. As Co-Chair of CAMA, Access Bank partnered with CAMA to commemorate the 2019 WMD co-hosted by GBCHealth and HACEY Health Initiative.

Outcome Assessment

Location	• Ikate Elegushi and Imota, Lagos
Objectives	• To generate demand creation for malaria prevention and sensitize rural area dwellers on malaria prevention and elimination.
Activities	• Provision of information, communication and education materials to members of project communities. • Distribution of long-lasting insecticide-treated nets (LLINs) to members of the communities.

Outcome	Through this initiative, the Bank was able to achieve the following: • 5,000 information, education and communication materials (IECs) distributed in both communities during the week of the programme and during the event. • 1,000 LLINS distributed in both communities. • 309 beneficiaries in Ikate Elegushi, Lagos. • 715 beneficiaries in Imota, Lagos.

Care Trust Initiative – World Day for Street Children

The International Day for Street Children (IDSC), April 12, is a day set aside to recognize the strength and resilience of millions of children around the world. The day serves as an opportunity to recognize their humanity, dignity and defiance in the face of hardship. The 2019 IDSC was themed "Commit to Equality".

Access Bank, in partnership with Care Trust Initiative, implemented a programme to commemorate the IDSC geared towards ensuring members of the public understand who a typical street child is whilst engaging stakeholders with a bid to ensure street children are treated equally and supported with the basic needs of life.

Outcome Assessment

Location	• Ogun State
Objective	• To provide literacy skills to street children as well as ensure they can acquire vocational and basic life skills necessary for their social and emotional development.
Activities	Through this initiative, the Bank was able to achieve the following: • Media awareness to educate the public. • Stakeholder Engagement: To provide opportunities for street children to tell their stories to key stakeholders in an effort to rehabilitate and reintegrate them back to the society.
Outcome	Through this initiative, the Bank was able to achieve the following: • Media awareness – an awareness programme was done on Rainbow FM to educate the public on the plight of street children. Over 206 people were reached through the radio programme. • Stakeholder Engagement tagged "Stakeholder Children Get Together" reached: o 80 street children participated in the stakeholder programme. o 31 key stakeholders representing community associations, government agencies, civil societies and religious bodies.

CSR-in-Action – Civil Society Organization Training

The relevance of Civil Society Organizations (CSOs) cuts across all areas of nation-building via economic, political, health, social and environmental development, as they play a vital role in ensuring sustainable development in all aspects of life. Capacity development among CSOs is therefore of utmost importance.

Access Bank partnered with CSR-in-Action to build capacity among CSOs in the CSO Professionalism and Effectiveness Therapy (C-PET) Workshop. The training programme was themed Governance and Decision-Making.

Outcome Assessment

Location	Access Bank Head Office
Objective	• To build capacity amongst non-profits and CSOs in order to effectively deliver on their mandate of promoting social good.
Activities	• Training session on corporate governance: This involved concepts, models, essential principles and stakeholders of corporate for CSOs. • Training session on applying corporate governance: This involved training on decision-making principles, strategic decision-making processes, models and options, and corporate governance in ethical decision-making for CSOs.
Outcome	Through this initiative, the Bank was able to achieve the following impact: • 60 CSOs trained on corporate governance and its application. • Case studies on effective behaviours were deployed in decision-making.

Glow Initiative – World Environment Day

The World Environment Day (WED) is an annual event to encourage worldwide awareness and action for the protection of our environment. It is a flagship campaign for raising awareness on emerging environmental issues, from marine pollution and global warming to sustainable consumption and wildlife crime.

To commemorate the 2019 WED, Access Bank partnered with GIEE Initiative, a non-governmental organization to implement a high-impact programme aimed at eliminating air pollution. The programme was tagged "the 'Kick Against Air Pollution':

Outcome Assessment

Location	Lagos
Objectives	• Provide Media Awareness: This involved a one-week media awareness project. • Market Outreach: To organise market outreach and an environmental protection awareness campaign for shop owners. • Educative Programmes: To organise educative programmes. • Essay Competition: This involved a writing contest for young leaders.
Key Activities	• Social Media Literacy Campaign on Air Pollution Facts, Solutions and Your Role. • Production of a video documentary showcasing young people's stories of action to combat air pollution. • A one-day capacity building workshop of young leaders to groom Anti-Air Pollution Ambassadors. • Games and Trivia. • Information Education and Communication Materials (IEC).
Impact	Through this initiative, the Bank was able to achieve the following direct impact: • 1,080,000 people reached via the air pollution social media literacy campaign. • 200,000 people reached via video documentary featuring young leaders of impact. • 50 anti-air pollution ambassadors trained.

Centre for Youth Studies – Programme for Persons with Disabilities

The Centre for Youth Studies (CYS) is a non-governmental organization and a social research services outfit. It employs creative media to disseminate information and primarily uses drama in print, audio and audio-visual media to disseminate empirically verifiable information on the lifestyles, patterns of behaviour, problems, opinions and realities among young people in Nigeria.

Access Bank partnered with CYS to implement a programme for Persons Living with Disabilities (PLWD). The programme focused on education for sustainable lifestyles through character development training, equipping young people with information on health, behavioural issues and drama training.

Outcome Assessment

Location	**Lagos**
Objectives	• To fully integrate life skills trainings in the total learning package for Persons with disabilities (PWDs). • To promote sustainable development for persons with disabilities through education for sustainable lifestyles.
Activities	Through this initiative, the Bank was able to achieve the following: • Capacity building: This involved a train-the-trainers life skill training programme for the Lagos chapter of the Joint National Association of Persons with Disabilities (JONAPWD). • Production of FTS training handbook: This involved the production and distribution of a revised training handbook, Braille Club handbook and audio FTS Club handbook. • Production of a dramatic life skills training short film. • Production of FTS Club exercise books, poem banner and other life skills topical banners promoting character development and understanding temperament.
Impact	Through this initiative, the Bank was able to achieve the following impact: Capacity building: • 58 people participated in the life skills training programme for leaders in the disability cluster in Lagos state. • 19 trainees were leaders from the Lagos State disability cluster. • 2 non-governmental organizations participated in the training. Media awareness: An awareness program was launched across three Newspapers and TV channels, including Daily Times/The Point Newspaper, as well as LTV and TVC. Dramatic life skills training short film: The short film had a cast of persons living with disabilities.

Partnership with the ACT Foundation

Access Bank has been in partnership with the ACT Foundation since 2017 to support high impact initiatives in line with the Sustainable Development Goals (SDGs). The partnership enables the Bank to provide funds to support non-for-profit organizations to accelerate their impact in environment, health, entrepreneurship and leadership.

In addition, the ACT Foundation provided grants to 28 non-governmental organizations to implement projects/initiatives in the areas of health, entrepreneurship, environment and leadership. As such, the grantees in 2019 implemented programmes that impacted over 91,000 lives. The table below shows a summary of outcomes of the 2019 grants:

AREAS OF SOCIAL INVESTMENT	**NUMBER OF BENEFICIARIES**
Health Investment Initiatives	67,142
Entrepreneurship Initiatives	8,814
Environment Initiatives	12,658
Leadership Initiatives	2,809
Grand Total	91,423

EMPLOYEE VOLUNTEERING

Employee volunteering is an innovative way for businesses to invest in their people and local communities. Employees are guided and advised on how to impact communities in these focus areas, donating their time, skills and resources during work hours to tackle local social issues. The past year showed the passion and commitment of our employees to community investment and this was reflected in the calibre of projects various groups embarked on.

Employees have volunteered a total of 2,735,011 hours in over 320 strategic community initiatives across the six geo-political zones since 2015. We have achieved 100% employee participation in the Access Bank Employee Volunteering initiative, empowering employees to contribute to the sustainable development of communities.

Through the scheme, our employees contribute ideas, skills and resources to address social, environmental and economic issues whilst gaining hands-on experience and fulfilment as positive role models in society. Some of the most notable initiatives from the Employee Volunteering Scheme in 2019 are discussed below.

GOVERNANCE

Our business involves a lot of intricacies. It therefore needs to be supported by sound governance structures, plus strong organizational and risk frameworks. Together, these foster adequate decision-making and risk management processes. For Access Bank, responsible governance means operating according to high ethical standards, including those that address environmental and social challenges. It also means operating within the ambit of regulations, plus sound principles of transparency, responsibility, fairness and efficiency, and in defence of shareholders' interests.

The Board of Directors is Access Bank's highest decision-making body, except for matters reserved for the general shareholders' meeting. The Board has the final word on decisions concerning the Group's strategy, corporate culture, organizational structures, sustainability, and the implementation of policies. While the subsidiaries comply with the statutory and regulatory requirements of their host countries, they also align their governance framework to the Bank's overall approach.

Our approach to responsible governance underpins our corporate culture, which remains essential for Access Bank's long-term success and its stakeholder relationships. Corporate culture is not only fostered through top-down leadership; it also requires employees at all levels to understand the importance of personal accountability, risk, and values of integrity.

ETHICS, ANTI-CORRUPTION & WHISTLE-BLOWING

At Access Bank, we are strongly committed to high ethical standards and integrity. We continue to create awareness amongst our staff on the importance of ethical conduct, while maintaining a corporate culture that rewards honest practices and discourages unethical actions. Access Bank demonstrates its continuous commitment to ethical practices by working with leading institutions to build capacity for ethical behaviour amongst its employees.

In order to enable staff and other members of the public to report unethical activities affecting Access Bank, we have deployed a robust whistle-blower hotline, outsourced to KPMG. This line enables our internal and external stakeholders to report unethical activities affecting Access Bank, so that the Bank can take measures to address them before they escalate into future liabilities, business threats and losses.

In order to instil the highest ethical and legal standards as well as comply with applicable international laws, we have appointed functional anti-bribery compliance officers across our branches nationwide. We also further strengthened the implementation of our Anti-Bribery Policy and related policy documents such as the Code of Ethics and Compliance Manual, thus making them applicable to all our primary stakeholders and business partners, particularly our staff, vendors and contractors.

ENVIRONMENTAL SUSTAINABILITY

A robust environmental management strategy is a key facet of Access Bank's sustainability efforts. Having a healthy environment is the bedrock for a prosperous life. Environmental conservation is such an integral component of our work that we ensure we screen all of our activities for their impact on the planet. We remain committed to working with impactful stakeholders to collectively tackle issues concerning our shared environment.

As one of Africa's foremost banks in promoting sustainability, and with a widely dispersed presence, we are continuously working to minimise our environmental footprint in all of our activities. Throughout 2019, not only was the Bank fully compliant with all environmental and social laws and standards, we were also the regional lead in drafting a set of new Global Principles for Responsible Banking in Africa. In collaboration with the United Nations Environmental Program Finance Initiative, we led the consultation with other banks in developing these principles. They serve as frameworks for financial institutions across the world to comply with a set standard for interacting with the environment.

The early shutdown policy remained in effect in the Head Office and branches, ensuring staff shut down systems at

7pm and 6pm respectively. This effort enabled the Head Office to decrease fuel consumption by 23.5%.

We continued improving our waste recycling initiative in branches and the Head Office. Our new Head Office is equipped with state-of-the-art technology to ensure seamless environmental protection.

In 2019, the Bank recorded an increase of 321 solar-powered ATMs, bringing the total number of ATMs powered by clean energy to 605. This is one of our strategies to reduce our carbon emissions whilst maximising our operating capacity. In line with the "Reduce, Reuse, Recycle" ethos, we maintained communications to ensure all staff are thoughtful in the way they work, print, meet, and operate.

Cumulatively, these strategic initiatives enabled us to achieve even greater levels of effectiveness in our environmental management performance.

Sustainable Waste Management

Since 2016, Access Bank has been championing environmentally and socially conscious waste disposal in key locations, starting with the Lagos Island region, Danmole Head Office, and its annex. An integral component of sustainable waste management includes the recycling of paper, plastic, glass and aluminium cans. Being the most established recycling initiative in the Nigerian Banking Industry, we have nurtured our initiative and it has grown significantly over the years.

In 2017, our recycling initiative grew to include 37 more locations in areas with a high volume of customers. We recognised the need to train our staff so that they cultivate a feeling of shared responsibility and ownership over the initiative. The training also enlightened staff to view all materials, including 'waste', as potentially valuable resources. In addition, it is always important for us to empower our stakeholders. Thus, the Bank recognised the need for our vendors to upgrade their recycling trucks to enable them to maximize their capacity. This empowered the local recycling companies to further improve their capacities and become even more effective stewards of the environment.

Based on the successes witnessed in the previous year, recycling bins were placed in an additional 45 recycling locations to divert useful materials away from our clogged landfills and back into usable products. Our collaboration with local partners enabled us to build scalable end-to-end structures for bolstering recycling efforts. This collaboration was so fruitful that the structures have now been adopted across the industry.

In 2019, we consolidated our efforts from previous years and further improved the efficiency of the waste management. Our more concentrated locations recorded a 5.5% increase in the amount of waste recycled, showing the improvements in efficiency. The Bank held meetings and training sessions for our sustainability champions, cleaners, vendors, and other stakeholders that are pivotal in the success of the initiative. The training highlighted the uses of recycling and the technical aspect of the practice. As many were already well-versed in proper waste disposal, we were able to host high-level and interactive training. This work done behind the scenes enables more effective waste management for all involved, putting the Bank in good standing to shrink the size of our waste-to-landfill even further.

Alternative Energy

Alternative sources of energy have long been deemed as an essential switch for those looking to power the future. It is for this reason that Access Bank is continuously seizing opportunities to harness energy derived from environmentally conscious means.

Presently, the Bank has:

- 58 branches powered by alternative energy (hybrid)
- 605 solar-powered ATMs nationwide
- LED lights in all the Bank's facilities in Nigeria
- Motion-sensitive lights and water efficient taps at its Head Office
- Regular reporting, monitoring and evaluation of electricity consumption across branches

These have aided in the drastic improvements towards reducing our carbon emissions. In 2019, we recorded a 33.96% decrease in electricity consumption at our Head Office and a 31% decrease bank-wide.

Resource Efficiency

Access Bank has taken a critical look into all of its external and internal processes. In addition to the implementation of materials to aid our environmental sustainability, we have automated several processes that improve efficiency as well as limit our impact on the environment.

The No Paper Initiative

This aims to help reduce our paper usage by getting us to think more about the implications of our actions on our environment.

Some of the activities under this initiative include:

- Paper-saving tips
- Automated Memo Approval System on Processmaker
- Automated Payment System on Dynamic 365

- Use of Diligent BoardBook – an automated and secured system, hence helping to significantly reduce the quantity of documents printed for Board meetings

The No Paper Initiative has facilitated further reduction in our paper consumption and ensured the sustainability of our environment.

Water Efficiency

Water is one of the world's most valuable resources and we believe that we must treat it as such. As water is a finite resource that is primarily accessed and misused by the most privileged in society, we must be responsible custodians of the luxury of clean water.

Employees are continuously engaged about the importance of conservatively consuming water. We conducted innovative campaigns and communications like videos and factsheets to make staff aware of the situation of water availability across the world. We took practical steps like installing water-efficient flush systems and taps to make it easy for staff to consume water mindfully.

As a result of our pre-emptive interventions, despite us doubling in organization size, our water usage only saw a slight increase of 15.39% in 2019.

SUSTAINABILITY THOUGHT LEADERSHIP

At Access Bank, strategic partnerships at the global, regional, national and local level based on a shared commitment to sustainability are prioritized, as they directly create opportunities and accelerate the impact of its sustainability agenda. In the 10 years of its sustainability journey, the Bank has continued to capitalize on its existing partnerships forging new alliances with leading organizations in the public and private sectors, and across civil society to achieve significant impact and sustainable development on a larger scale.

The Bank continues to lead efforts in sustainable development across multi-sector or industry platforms and prove its deep commitment to the tenets of sustainability through its leadership, active participation and support roles in sustainability-focused organizations, driving innovation and initiatives. Examples of the Bank's leadership roles include:

- Chair, NSBP Implementation Steering Committee
- Co-Chair, Corporate Alliance on Malaria in Africa
- Board Member, UN Global Compact Local Network (Network)
- Leadership Group Member, UN Women Empowerment Principles
- Board Advisory Committee, Private Sector Health Alliance of Nigeria
- Co-Chair, Nigeria Business Coalition Against AIDS
- Member, Private Sector Delegation to the Global Fund Board
- Member, WeConnect National Advisory Board, Nigeria
- Gold Member, Nigerian Conservation Foundation
- Partner, Global Business Coalition on Health
- Member, World Economic Forum

ABC Health: Africa Business Health Forum

As society evolves and the African business environment advances, organizations now invest in the health of employees, communities and consumers, not only to ensure business growth, but to drive economic prosperity and address systemic health challenges.

The Global Business Coalition on Health (GBC Health), in partnership with Aliko Dangote Foundation and United Nations Economic Commission for Africa, worked hand-in-hand with African leaders and companies in cooperation with global businesses, philanthropists and development institutions to establish and launch the African Business Coalition for Health (ABC Health) at the Africa Business Health Forum. This was held on January 12, 2019 at the Hyatt Regency Hotel, Addis Ababa, Ethiopia.

The coalition aims to generate progress in critical health areas, while providing guidance to companies on how to maximize the value and impact of their investments. The coalition is targeted at mobilizing private sector resources, expertise and innovation to strengthen health systems and save lives across the African continent.

Access Bank participated in a panel session titled 'The Great Debate: Health as a Major Economic Driver' at the 2019 Africa Business Health Forum. Additionally, a case study focused on Access Bank's efforts to improve the outcomes of national and regional health systems, was launched at this event.

New NiBUCAA Initiatives in 2019

The Nigerian Business Coalition Against AIDS (NiBUCAA) is a business membership organization that serves as the voice of the private sector's response to HIV and AIDS in Nigeria. The coalition was formed to help the private sector leverage their unique strengths and proficiencies for advancing HIV programmes and mitigating the impact of HIV and AIDS in the workplace and society in general. Access Bank is a signatory of NIBUCAA, providing private sector insights and shaping the dialogue around programmes for HIV/AIDS in Nigeria. Following the value added and the Bank's influence on the organization after two years as a member, the GMD/CEO, Herbert Wigwe, was appointed to serve as the Co-Chair in 2016.

Access Bank remains Co-Chair of NiBUCAA, providing support for organizational programmes, and hosting and facilitating stakeholder engagements. In 2019, Access Bank led the coalition into galvanizing corporate organizations to join NiBUCAA, create awareness and enlist further new organizations as members of the coalition. To this end, a cocktail CEO Partnership event was held in Lagos on January 5, 2019 with a focus on the need to contribute to global efforts to eradicate HIV/AIDS.

In February 2019, NiBUCAA leveraged the Bank's position as sponsor of the Access Bank Lagos City Marathon to provide HIV testing services to attendees at the annual sporting event. The Bank supported the provision of these services and free counselling to about 2,620 beneficiaries as well as the distribution of 7,183 free male condoms for safer-sex practices.

The Bank continues to work with NiBUCAA, supporting key initiatives to show support to people living with the virus, and advocating for zero discrimination against PLHIV as well as the need for a multi-faceted effort to eradicate HIV/AIDS.

The Access Bank Sustainability Summit

Access Bank hosted key stakeholders and industry leaders at its Head Office for its first Sustainability Summit on April 29 and 30, 2019. The two-day summit themed "Financing Sustainable Development" provided a unique opportunity for various stakeholders to contribute to shaping of the United Nations Environmental Programme Finance Initiative's Global Principles for Responsible Banking, while discussing sustainability in a broader context.

The event was well attended by key decisionmakers from the private sector, public sector and non-profit organizations that were all keen to understand the United Nations Environment Programme Finance Initiative (UNEP FI) Principles and lend their voices to improve their communities. The summit included keynote addresses, panel discussions and break-out sessions on best practices and strategies for the attainment of global sustainability goals.

The outcomes from the summit included sustainability training for journalists and media practitioners and members of the Association of Sustainability Practitioners, as well as a Joint Statement of Commitment for participants.

UNFPA 50th Anniversary and 25 years of International Conference on Population Development Commemoration

The United Nations Population Fund (UNFPA) is the United Nations' sexual and reproductive health agency. The organization's mission is to deliver a world where every pregnancy is wanted, every childbirth is safe and every young person's potential is fulfilled. Since UNFPA started its work, the world has seen major progress: the number and rate of women dying from complications of pregnancy or childbirth has been halved, while families are healthier and young people are more connected and empowered than ever before. In 2018, UNFPA launched efforts to achieve three transformative results, ambitions that promise to change the world for every man, woman and young person.

Access Bank, in partnership with UNFPA, celebrated the 50th anniversary of the organization with a summit themed: "Sustainable Population Growth, Demographic Dividend and Future of Nigeria: The Role of the Private Sector". The summit was held on June 18, 2019 at the Access Bank Head Office in Lagos.

The one-day event was geared towards knowledge sharing and panel sessions on harnessing a demographic dividend through investment in youth.

The summit had in attendance over 257 participants, including representatives of the United Nations, government, private sector, media, civil societies, Youth Corps members, the movie industry and NGOs.

Launch of UNEP FI and Global Principles for Responsible Banking

Following the launch of the draft Principles in November 2018, a six-month consultative period for the Principles commenced to provide to feedback and additional inputs from stakeholders to UNEP FI. This was done as part of the process for the completion of the final version of the Principles, which were launched at the 2019 United Nations General Assembly in New York. To this end, the Bank was nominated to host one of the regional consultative events for the Principles in Africa on Monday, April 29, 2019. Leveraging the presence of some international stakeholders for the consultation, a high-level sustainability summit was organized the following day, Tuesday, April 30, 2019.

Access Bank participated at the official signing ceremony and global launch of the Principles for Responsible Banking on Sunday, September 22, 2019 at the United Nations Headquarters in the presence of the UN Secretary-General, Antonio Guterres.

Access Bank GMD/CEO Herbert Wigwe participated in the industry launch panel themed "Implementing the Principles for Responsible Banking" alongside CEOs of other leading banks. The Head of Sustainability participated in the technical panel session, where she further highlighted Access Bank's sustainability leadership and our role in improving sustainability performance in Africa.

Access Bank mobilized six other Nigerian banks to join as Founding Signatories of the Principles.

United Nations Humanitarian Fund Private Sector Initiative (NHF PSI)

The United Nations Humanitarian Fund Private Sector Initiative (NHF PSI) was created to coordinate companies in Nigeria to join donor countries and the United Nations to pool resources together to address the humanitarian crisis in the North East zone of Nigeria, in the most accountable manner. The GMD/CEO of Access Bank, Herbert Wigwe, was appointed as the Vice-Chair of the NHF PSI Steering Group in June/July, 2019 following an NHF PSI Steering Group visit to internally displaced persons (IDP) camps in Maiduguri.

During the 2019 United Nations Global Assembly, key representatives of Access Bank met with high-level representatives of the United Nations Office for Humanitarian Affairs to galvanize private sector resources towards the initiative.

Access Bank is currently leading the efforts to raise funds from the private sector to support the work being done in the IDP camps in the North East zone.

United Nations Global Compact (UNGC)

UNGC is a voluntary corporate initiative based on commitments by organizations to collaboratively and innovatively implement universal sustainability principles to support the goals of the United Nations. The aim of the UNGC is to mobilize a global movement of sustainable companies and stakeholders by supporting companies to carry out their business operations responsibly and to take strategic actions to advance broader societal goals using a principles-based approach.

The Global Compact Nigerian Network (GCNN) was established in 2006 and currently comprises over 100 participants from various sectors, including banks. Access Bank was the first commercial bank in Nigeria to become a signatory to the UNGC Principles, in April 2006. In 2015, the Bank became a member of the steering committee and pioneer member of the environment work stream. Ultimately, Access Bank was appointed as Co-Chair on the UNGC Local Network in Nigeria, a position held until 2018 when the Bank stepped down but continued as a Board Member.

As a Board Member, Access Bank actively participated in the board meetings to create a strategic plan and direction that will drive the objectives and activities for the Local Network going forward.

2019 Sustainability Awareness Week

Access Bank commemorates Sustainability Awareness Week (SAW) to promote understanding of sustainability within the Bank and beyond. It entails a week of activities and engagements aimed at encouraging staff and customers to get involved in sustainable development.

The 2019 Sustainability Awareness Week was themed: 'Together for a Sustainable Future'. More importantly, the week aimed to get people's buy-in on the Bank's sustainability drive and ensure their commitment to the development of sustainability in Nigeria. The SAW programme was held across the Bank's subsidiaries from November 18-22, 2019, and in Nigeria from November 25-29, 2019.

The week focused on the following, among other activities:

- Sustainability workshops for the Bank vendors and suppliers.
- Sustainability workshops and masterclasses for staff members on Impact Assessments, Environmental Sustainability, Waste Management, Technology, Sustainability Communications, Community Investments and so on.
- Employee Volunteering Awareness Day to raise awareness on the importance of volunteering.
- Internal and external communications, for example email on "20 Ways to Make an Impact Today", a video documentary and TV interviews.
- Fun activities such as quizzes, screenings of films such as Up North as a way of focusing on girl child empowerment, video interviews and photo-booth sessions, amongst others.

SUSTAINABILITY RECOGNITION AND AWARDS

In 2019, Access Bank was ranked in Forbes Africa as the best-performing company in Nigeria with respect to Sustainability.

TOP 50 BRANDS MAKING A DIFFERENCE IN NIGERIA

NIGERIA CSR & SUSTAINABILITY RANKING 2019

Company	Sector	Ranking	Company	Sector	Ranking
Access Bank	Banking	#1	Nigeria Stock Exchange	Banking	#11
Nigeria LNG	Oil & Gas	#2	MTN Nigeria	Telecomms	#12
Union Bank	Banking	#3	Sterling Bank	Banking	#13
Larfage	FMCG	#4	Diageo	FMCG	#14
Nestle	FMCG	#5	Reckitt Benkizer	FMCG	#15
Zenith Bank	Banking	#6	First Bank	Banking	#16
Dangote	FMCG	#7	Nigeria Breweries	FCMG	#17
Guaranty Trust Bank	Banking	#8	Airtel	Telecomms	#18
Coca-cola	FMCG	#9	Nigeria Bottling Company	FCMG	#19
Stanbic IBTC	Banking	#10	Chevron	Oil & Gas	#20

Unilever I FMCG ■ #21 Oando I Oil & Gas ■ #22 AB IN-Bev I FMCG ■ #23 UBA I Banking ■ #24 Ikeja Electric I Power ■ 25 Mutichoice I Pay tv ■ #26

Flourmills I FMCG ■ #27 9Mobile I Telecomms ■ #28 Total E&P I Oil & Gas ■ #29 FrieslandCampina I FMCG ■ #30 Shell I Oil & Gas ■ #31

Sahara Energy I Oil & Gas ■ #32 Fidelity I Banking ■ #33 IHS TOWERS I Telecomms ■ #34 PZ I FMCG ■ #35 Nigerdock I FMCG ■ #36

Heritage Bank I Banking ■ #37 iSON I Tech ■ #38 BUA GROUP I FMCG ■ #39 BATNF I NGO ■ #40 GBF I NGO ■ #41 ACT I NGO ■ #42

Hacey I NGO ■ 43 Leap Africa I NGO ■ 44 LSETF I NGO ■ 45 WARIF I NGO ■ 46 Freedom Foundation I NGO ■ 47 Rock Foundation I NGO ■ 48

PharmAccess I Health ■ 49 We For Good I NGO ■ 50

This rankings are a culmination of impact assessments of 910 organizations operating in Nigeria over the last 13years. Criteria used include,participation/recognition in national, international awards/rating, investment in CSR/Sustainability during period under review. CSR/Sustainability/SDG's focus areas materiality, number of stakeholders impacted, replicability and sustainability quotient, impact per naira

For over a decade, our vision has been to create platforms for intelligent access, awareness and documented actions which many have come to describe as the trail blazing spadework that has led to the rapid growth of what has now become a vibrant and viable Corporate Social Responsibility and Sustainability Industry in Nigeria and Africa.

TRUCSR also hosts the most credible and prestigious Awards for CSR and sustainabilty in Africa.

TruCSR TRUCONTACT

In recognition of our strategic collaborations and efforts in promoting sustainable development in Africa and the world, we have received numerous awards from prestigious awarding bodies, both local and international. Some of our most notable recognitions received during the year 2019 include:

AWARD	ORGANIZATION	DESCRIPTION
Best CSR Bank	Global Brands Awards	In recognition of the Bank's unwavering commitment in embedding sustainability into its core business strategy and DNA that helps address issues across its business operations and value chain.
Special Recognition Award in Sustainability Banking in Africa	Ethical Board	In recognition of Access Bank's success in incorporating economic, social and environmental aspects/metrics in corporate strategy and business processes. This was due to the Bank's efforts and contributions towards impactful sustainability initiatives.
Most Sustainable Bank, Nigeria	World Finance	In recognition of Access Bank's success in incorporating economic, social and environmental aspects/metrics in corporate strategy and business processes. This was due to the Bank's efforts and contributions towards impactful sustainability initiatives.
Best Brand in Sustainability	Awesome Communications	In recognition of the Bank's unwavering commitment in embedding sustainability into its core business strategy and DNA that helps address issues across its business operations and value chain.
SME Friendly Brand of Nigeria	Awesome ommunications	In recognition of the Bank's support in assisting SME growth and success in the economy.
Outstanding Business Sustainability	Karlsruhe Sustainable Finance Awards	In recognition of Access Bank's success in incorporating economic, social and environmental aspects/metrics in corporate strategy and business processes. This was due to the Bank's efforts and contributions towards impactful sustainability initiatives.
Outstanding Brand Supporting Sustainability (WIMCA Awards)	Awesome Communications	In recognition of the Bank's unwavering commitment in embedding sustainability into its core business strategy and DNA that helps address issues across its business operations and value chain.
Outstanding Female Friendly Bank of The Year (WIMCA Awards)	Awesome Communications	This was presented to the Bank for driving the economic empowerment of women through its products, services, policies and practices.
Corporate Social Responsibility Award of Excellence	AS+A Communications	In recognition of Access Bank's outstanding contribution to society.
Sustainable Bank of the Year	Central Bank of Nigeria (CBN)	This award was presented in recognition of the Bank's achievement in the development of sustainability in the Finance sector of Nigeria.
Excellence in Women Economic Empowerment	Central Bank of Nigeria (CBN)	This was presented to the Bank in recognition of the Bank's commitment to driving the economic empowerment of women through its products, services, policies and practices.
Most Sustainable Transaction of the Year (Power Sector)	Central Bank of Nigeria (CBN)	This was presented to the Bank for successfully addressing the environmental and social risk issues in lending to the Power sector. This was a pioneering category.

Most Sustainable Transaction of the Year (Oil and Gas Sector)	Central Bank of Nigeria (CBN)	This was presented to the Bank for successfully addressing the environmental and social risk issues in lending to the Oil & Gas sector.
Most Sustainable Transaction of the Year (Agriculture)	Central Bank of Nigeria (CBN)	This was presented to the Bank for successfully addressing the environmental and social risk issues in lending to the Agriculture sector.
Best Company in Sustainability Reporting	The Sustainability Enterprise and Responsibility Awards (SERAs)	This is a testament to the Bank's efforts in communicating its sustainability strides to all its stakeholders.
Best Corporate Communications Team	The Sustainability Enterprise and Responsibility Awards (SERAs)	This shows the exceptional efforts in communicating its products and services to all its stakeholders.
Best Company in Climate Action	The Sustainability Enterprise and Responsibility Awards (SERAs)	This award is in recognition of the Bank's outstanding success in incorporating environmental sustainability in corporate strategy.
Best Company in Partnership for Development	The Sustainability Enterprise and Responsibility Awards (SERAs)	This award was presented to Access Bank for being successful at driving sustainable development across the West African region.
Most Socially Responsible Company of the Year (Overall Winner)	The Sustainability Enterprise and Responsibility Awards (SERAs)	This was given in recognition of the Bank's overall commitment to sustainability and its sustainability performance locally and internationally.
Strong Support Towards the National Response in Nigeria	National Agency for the Control of AIDS (NACA)	This award is in recognition of Access Bank's leadership in adopting innovative practices in the development of the Health sector.
Best Bank, Nigeria	EMEA Finance	This award is in recognition of the Bank's outstanding success in incorporating economic, social and environmental aspects in corporate strategy and business processes.
Best Product Launch (Pan Africa)	EMEA Finance	This recognizes outstanding success in sustainability, digital banking and electronic platforms for financial inclusion.
Best Bank of the Year, Nigeria	The Banker	This award is in recognition of the Bank's outstanding success in incorporating economic, social and environmental aspects in corporate strategy and business processes.
Best CSR Banking Brand in Nigeria 2019	Global Brands Magazine	This shows the Bank has applied innovative approaches in embedding sustainability in lending and/or deposit products and other financial services that advance the transformation to low carbon and a sustainable economy.
Disability Friendly Institution of the Year (Financial Category)	DIAL Awards	In recognition of the Bank's support towards People Living With Disabilities (PLWDs).

RISK MANAGEMENT

In line with the Bank's vision of becoming the "World's most respected African Bank", it successfully merged with arguably Nigeria's largest retail bank, Diamond Bank Plc. The acquisition created Africa's largest retail bank serving more than thirty-six (36) million customers within and outside Nigeria. The Bank continued to invest in its people and information technology infrastructure because it wants to continuously meet and exceed customers' expectations by providing MORE THAN BANKING experiences not just in Nigeria but across the African continent. All these actions are been taken to fulfil the attainment of the strategic goal of being "Africa's gateway to the world".

We understand the increased risk of managing a rapidly growing bank. Therefore, our Risk Management has been ahead of the growth and has been strengthened to identify and manage risk which could threaten our sustainability. We have taken a long-term approach to risk management to maintain a sustainable bank which can withstand shocks from the operating environment as well as mitigate risks from anticipated and unanticipated events with an end-to-end automation of credit risk processes, unleashing a range of digital lending products like the payday loan, small ticket loans and top notch international payment solutions like Access Africa payment solution. Our Access More mobile app for local as well as international payments and our retail push via the Channels Grand Prix campaign.

The Risk Management Division has leveraged technology, automation and the well skilled employees to implement and refine some key initiatives within the financial year. Some of these include: Fintrak Credit 360 (end-to-end credit application) and the Customer rating application.

ENTERPRISE-WIDE RISK MANAGEMENT

WE REMAIN COMMITTED TO SUSTAINABLE ENTERPRISE-WIDE RISK MANAGEMENT PRACTICES

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

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

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

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

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

The role of the Group Chief Risk Officer in Access Bank remains pivotal as he has the primary responsibility for ensuring the effective implementation of the ERM Framework of both the Bank and its subsidiaries. The Bank's ERM Framework and amendments thereto require Board approval. The Risk Management Division is responsible for the enforcement of the Bank's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

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

RISK MANAGEMENT PHILOSOPHY, CULTURE, APPETITE AND OBJECTIVES

Our Risk Culture Statement:

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

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

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

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

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

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

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

- Accountability is strengthened; and
- Stewardship is enhanced.

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

a) Management and staff:

- Consider all forms of risk in decision-making;
- Create and evaluate business-unit and Bank-wide risk profiles to consider what is best for their individual business units/department and what is best for the bank as a whole;
- Adopt a portfolio view of risk in addition to understanding individual risk elements;
- Retain ownership and accountability for risk and risk management at the business unit or other points of influence level;
- Participate in Risk Appreciation Programme to promote risk awareness and serve as a corrective measure for behaviours not aligned with the Bank's moderate risk appetite.
- Accept that enterprise-wide risk management is mandatory and not optional;
- Strive to achieve best practices in enterprise-wide risk management;
- Document and report all significant risks and enterprise-wide risk management deficiencies;
- Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions;
- Empower risk officers to perform their duties professionally and independently without undue interference;
- Ensure a clearly defined risk management governance structure;
- Ensure clear segregation of duties between market facing business units and risk management/control functions;
- Strive to maintain a conservative balance between risk and profit considerations; and
- Continue to demonstrate appropriate standards of behaviour in the development of strategy and pursuit of objectives.

b) Risk officers' partner with other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.

c) The Bank partners with its customers to improve their attitude to risk management and encourage them to build corporate governance culture into their business management

d) Risk management is governed by well-defined policies, which are clearly communicated across the Bank.

e) Equal attention is paid to both quantifiable and non-quantifiable risks.

f) The Bank avoids products and businesses it does not understand.

GROUP RISK OVERSIGHT APPROACH

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

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

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

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

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

The Executive Director for Risk Management coordinates the process of monitoring and reporting risks across the Bank.

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

STRATEGY AND BUSINESS PLANNING

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

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

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

Our integrated Governance, Risk and Compliance (GRC) system was launched during the year as a tool for the Credit Risk, Compliance, Operational Risk and Audit functions to sharpen risk management oversight of the Bank's businesses across the markets in which we operate. The integration of key activities and synchronization of information enhances our decision-making process across these functions. This in turn improves our business agility and competitive advantage which allows us to offer differentiated products to our customers across all touchpoints.

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

RISK APPETITE

Taking all relevant risks and stakeholders into consideration, Access Bank's risk appetite, which is approved by the Board of Directors, expresses the aggregate level of risk that we are willing to assume in the context of achieving our strategic objectives.

Risk appetite is derived using both quantitative and qualitative criteria. Risk appetite in relation to the major risks to which the Bank is exposed is regulated by limits and thresholds. These metrics aid in reaching our financial targets and guiding the Bank's profitability profile.

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

RISK MANAGEMENT OBJECTIVES

The broad risk management objectives of the Bank are:

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

SCOPE OF RISKS

Within its risk management framework, Access Bank identifies the following key risk categories:

- Credit risk
- Operational risk
- Market and liquidity risk
- Legal and compliance risk
- Strategic risk
- Reputational risk
- Capital risk

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

THE BOARD AND MANAGEMENT COMMITTEES

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

In line with best practice, the Chairman of the Board does not sit on any of the Committee. The Board operated 7 committees in 2019 the details of which are set out in the Governance Section of this report.

COMPLIANCE RISK MANAGEMENT

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

The compliance function transformation which commenced in 2015 and continued till 2018 has now been concluded with the Assessment of our Compliance Maturity and benchmark against 2013 COSO principles. The integrated compliance function working closely with Internal Audit, Risk Management and Operational Risk to achieve risk convergence provided backbone for integrated assurance and higher visibility of risk management and control consciousness across the Group.

The compliance function has continued to redefine and fine-tune its approach from the traditional inspectorate function into an advisory role with intense focus on regulatory intelligence gathering, Compliance monitoring, Compliance testing and closer cooperation with business units within the Bank. The Group on the other hand acts as a contact point for compliance inquiries from staff members.

We enhanced the monitoring to online real time to catch up with the current digital banking environment. We receive alerts of transactions on a risk-based approach by focusing on the high-risk areas thereby spotting non-conformities on time and have also improved our Compliance management standard with the completion of the ISO19600 project

MEASUREMENT, MONITORING AND MANAGEMENT OF COMPLIANCE RISK

In Access Bank, compliance risk is continually:

- Measured by reference to identified metrics, incident assessments (whether affecting Access Bank or the wider industry), regulatory feedback and the judgment of our external assessors as it relates to AML/CFT and other compliance vulnerabilities;
- Monitored against our compliance risk assessments and metrics, the results of the continuous monitoring and reporting activities of the compliance function and the results of internal and external audits and regulatory inspections; and
- Managed by establishing and communicating appropriate policies and procedures, training employees on them, and monitoring activity to assure their observance.

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

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

- Where a business unit is subject to regulatory requirements, it will comply with those requirements. The business unit will further establish and maintain systems of internal control to monitor and report the extent of compliance with those requirements with the support of the Conduct & Compliance function.
- In the absence of regulatory requirements for all or part of a business unit, certain minimum standards of conduct is established and maintained by that business unit to the extent required as determined by the management of that business unit and in line with global best compliance practice.

OPERATIONAL RISK MANAGEMENT

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

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

This framework includes:

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

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

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings;
- Minimise the impact of unexpected and catastrophic events and related costs through risk financing strategies that would support the Bank's long-term growth,

cash flow management and balance sheet protection;

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

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

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

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

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

ALLOCATING CAPITAL TO BUSINESS UNITS

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

INSURANCE MITIGATION

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

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

INFORMATION SECURITY, DIGITAL BANKING AND CONTINUITY OF BUSINESS

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

We have a holistic view of all the major risks facing the Bank and we remain vigilant regarding both known and emerging global risks. We also ensure that we are strong enough to withstand any exogenous shocks by putting in place a 24/7 monitoring and analysis of security logs and external intelligence of the Bank's information and technology assets.

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

The Bank's Business Continuity Management ('BCM') practices are governed by a robust BCM framework that clearly identifies critical assets and the vulnerabilities that those assets are subject to. The Management provides the required resources and designates a Business Continuity Management ('BCM') Team which co-ordinates the Business Continuity activities of the Bank and provides regular updates to the Management Committees.

STRATEGIC RISK MANAGEMENT

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

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

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

The Board and Senior Management are responsible for Strategic Risk Management and oversee the effective functioning of the strategic risk management framework.

The functional units (i.e. the units which carry out business or operational functions) assist the Board and Senior management in formulating and implementing strategies, providing input to the strategic planning and management processes; and as well as implementing the strategic risk management framework.

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

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

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

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

REPUTATIONAL RISK MANAGEMENT

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

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

- A highly regulated financial services industry with high visibility and vulnerability to regulatory actions that may adversely impact its reputation. (e.g. corporate governance crises);
- Keen competition and largely homogeneous products and services have led customers not to perceive significant differences between financial service providers; and
- Given the financing nature of products and services they provide, banks are not only exposed to their own reputation, but also to the reputation of their clients.

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

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

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

COMPILATION OF TRIGGER EVENTS

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

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

APPROACH TO MANAGING REPUTATION RISK EVENTS

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

POST REPUTATION EVENT REVIEWS

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

CAPITAL RISK MANAGEMENT

Capital risk is the risk of an erosion of the Bank's capital base as a result of poor capital management.

Capital management objectives:

The Group has several capital management objectives:

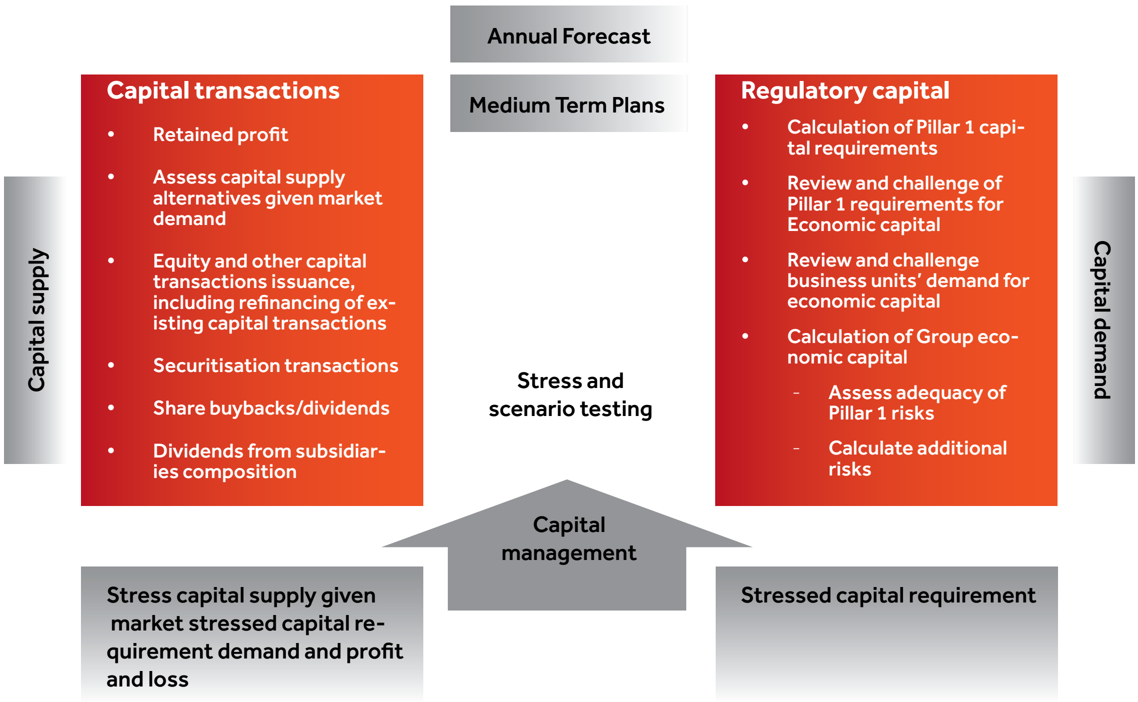
- To meet the capital ratios required by its regulators and the Group's Board;
- To maintain an adequate level of available capital resources as cover for the economic capital (EC) requirements;

- To generate enough capital to support asset growth;
- To maintain an investment grade credit rating; and achieve a return above the cost of equity.

CAPITAL MANAGEMENT STRATEGY:

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

Capital Management Process



IMPORTANCE OF CAPITAL MANAGEMENT

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

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

At Access Bank, we have put in place governance measures that were carefully designed to manage the inherent environmental and social (E&S) issues in our direct business operations (i.e. use of: energy, waste, travel, etc.) and indirectly the E&S issues in our obligors' business operations/activities. The underpinning import of our E&S risk management strategy is to reduce potential impact of our direct and indirect environmental and social risks. We are also putting structures in place to set-off any residual E&S risks that remain after the application of our environmental and social risk management policies, processes and procedures.

E&S risks are the potential negative costs to a business that result from its impacts (or perceived impacts) on the natural environment (i.e. air, water, soil) or communities of people (e.g. employees, customers, local residents). The attendant E&S risks can result into dire consequences to the lending banks and its customers. This resultant effect includes but not limited to production postponements, reputational damage, threats to operating licenses, unforeseen expenditures, weak cash flow, business liquidation and huge non-performing loans.

ENVIRONMENTAL AND SOCIAL RISK STRATEGY

Central to an effective ESRM is developing and understanding our clients' approach to E&S risk management relevant to their business activities. While the Bank accepts limitations in our ability to influence client behaviour, we nonetheless usually engage with our clients on these issues and endeavor to work with clients whose business practices are in alignment with our E&S standards and policies.

Clients that demonstrate best practice, and those who are willing to align with our E&S requirements, are our business partners of choice with whom we seek to continue and expand our relationships.

For all financing activities where material risks are identified through our ESRM approach, Access Bank will seek to identify mitigation measures and recommendations for the client to address these risks. Where appropriate, these mitigation measures and/or recommendations are usually included in loan covenants or other lending documentation and monitored periodically.

Green Bond

Access Bank has a commitment to support its clients and the environment where it operates in attaining a low carbon economy. This is in line with Nigeria's commitment in COP 211 as well as the strategy as detailed in the Nationally Determined Contribution. The Bank has evolved from environmental and social risks into environmental and social opportunities. This has led to issuance of the first climate certified corporate Green Bond in Africa. The N15Billion Bond issued in March 2019 with a tenor of 5 years was verified and certified in line with the Bank's approved Green Bond framework and the prospectus.

The Green Bond impact report shall be published on the anniversaries of the bond issuance throughout the life of the bond.

NOTES:

1. COP[21]: The 21st committee conference of parties signed up for the 1992 United Nations Framework Convention on Climate Change.
2. Nationally Determined Contributions are intended reductions in greenhouse gas emissions under the united nations framework convention on climate change.

Taskforce on Climate-related Financial Disclosures (TCFD)

In 2019, Access Bank became a member of a 30-Bank consortium in the phase 2 pilot stage of the TCFD project. This phase involves introduction of methodologies developed in phase 1 and focuses on physically and transitionally related risks and opportunities. Access Bank has been an integral part of the project with the aim of developing a methodology of understanding the impact of physical and transitional climate-related risks on the portfolio of the Bank.

Impact Investing

As part of the drive to support sustainable opportunities, there was a collaboration with the Netherlands Development Finance Company (FMO). In 2019, FMO announced the signing of a $10million senior unsecured loan with Access Bank in the Democratic republic of Congo (DRC). The investment is geared towards environmental and social risk issues especially Human Rights. The Bank is committed to grow its environmental and social footprint across all its subsidiaries.

The Bank also concluded a $35million targeted investment contract with the French Development Agency (AfD) aimed at environmentally friendly financing.

Impact investing refers to investments "made into companies, organisations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return".

CREDIT RISK MANAGEMENT

Credit risk arises from the failure of an obligor of the Bank to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. This risk is compounded if the assigned collateral only partly covers the claims made to the borrower, or if its valuation is exposed to frequent changes due to changing market conditions (i.e. market risk).

The Bank's Risk Management philosophy is that a moderate and guarded risk attitude will ensure sustainable growth in shareholder value and reputation. Extension of credit in Access Bank is guided by its Credit Risk and Portfolio Management Plan, which sets out specific rules for risk origination and management of the loan portfolio. The Plan also sets out the roles and responsibilities of different individuals and committees involved in the credit process.

We recognise the fact that our main asset is our loan portfolio. Therefore, we actively safeguard and strive to continually improve the health of our loan portfolio. We scrutinise all applications and decline potentially problematic loans during the loan application phase, as well as constantly monitor the existing loan portfolio.

The goal of the Bank is to apply sophisticated but realistic credit models and systems to monitor and manage credit risk. Ultimately these credit models and systems are the foundation for the application of internal ratings-based approaches to calculation of capital requirements. The development, implementation and application of these models are guided by the Bank's Basel II strategy.

The pricing of each credit granted reflects the level of risks inherent in the credit. Subject to competitive forces, Access Bank implements a consistent pricing model for loans to its different target markets. The client's interest is guarded at all times, and collateral quality is never the sole reason for a positive credit decision.

Provisions for credit losses meet IFRS and prudential guidelines set forth by the Central Bank of the countries we operate in, both for loans for which specific provisions exist as well as for the portfolio of performing loans. Access Bank's credit process requires rigorous and periodic review of the quality of the loan portfolio. This helps us to proactively identify and remediate credit issues.

The Criticised Assets Committee performs a quarterly review of loans with emerging signs of weakness; the Management Credit Committee and the Board Credit and Finance Committee also review the quality of our loan portfolio on a quarterly basis. These are in addition to daily and weekly reviews performed by the various Heads of Risk within the Credit Risk Management Groups, and weekly rapid portfolio review across the loan book.

PRINCIPAL CREDIT POLICIES

The following are the principal credit policies of the Bank:

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

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

RESPONSIBILITIES OF BUSINESS UNITS AND INDEPENDENT CREDIT RISK MANAGEMENT

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

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

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

CREDIT PROCESS

The Bank's credit process starts with portfolio planning and target market identification. Within identified target markets, credits are initiated by relationship managers. The proposed credits are subjected to review and approvals by applicable credit approval authorities. Further to appropriate approvals, loans are disbursed to beneficiaries.

Ongoing management of loans is undertaken by both relationship management teams and our Credit Risk Management Group. The process is applied at the Head Office and in the subsidiaries.

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

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

Risk Rating Scale and external rating equivalent

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

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

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

TRAINING / CERTIFICATION

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

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

CREDIT OFFICER RISK RATING

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

CREDIT RISK CONTROL AND MITIGATION

AUTHORITY LIMITS ON CREDIT

The highest credit approval authority is the Board of Directors, supported by the Board Credit and Finance Committee and followed by the Management Credit Committee. Individuals are also assigned credit approval authorities in line with the Bank's criteria for such delegation set out in its

Credit Risk and Portfolio Management Plan. The principle of central management of risk and decision authority is maintained by the Bank. The maximum amount of credit that may be approved at each subsidiary is limited, with amounts above such limit being approved at the Head Office.

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

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

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

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

COLLATERAL POLICIES

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

At portfolio level, asset securitisation, credit derivatives etc., are used to mitigate risks in the portfolio.

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

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

The range of collaterals acceptable to the Bank include:

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

MARKET RISK MANAGEMENT

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

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

RECENT DEVELOPMENTS IN MARKET RISK MANAGEMENT

Within the year, the bank embarked on projects/activities to further strengthen its risk management process to minimise exposure to Market and Liquidity risk.

Continuous improvement is necessary to thrive and excel in the dynamic banking industry by maintaining an effective Risk Management Framework that is adaptive to change and aimed at ensuring that the Bank is resilient by being more proactive in managing not only risks but taking opportunities as well.

Highlighted below are some of these projects/activities:

- Given the growth of the Bank's foreign currency balance sheet, it became necessary to review the Bank's adopted strategy for managing foreign currency exposures in line with the Banks risk appetite. The scope of a review conducted by Dunn and Bradstreet enabled:
  - Design of a framework for stress testing of foreign currency open exposure of the Bank
  - Design of a foreign exchange limit management framework which monitors the currency, liquidity and interest risk arising from foreign currency open exposure
- The Bank's Treasury application for the management of its trading portfolio was upgraded for enhancement of operational security; real-time dashboard to ensure effective monitoring; improved efficiency to minimize errors associated with manual postings etc.
- A real-time reporting application that offers data warehouse capabilities was initiated within the year with an objective to provide business intelligence by connecting different data set, transforming the data into data models and providing visuals of the data to users. Information is presented in its most current form with live dashboards and reports for management and other users to make quality decisions.
- In line with Basel III regulations, Access Bank has adopted a proactive and planned approach to liquidity management considering the institution's specific risk appetite and business model. We have documented our Internal Liquidity Adequacy Assessment Process (ILAAP) incorporating a comprehensive analysis of scenarios for assessing liquidity position from various perspectives and over various time horizons.

MARKET RISK POLICY MANAGEMENT AND CONTROL

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

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

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

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

BANKING BOOK

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

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

INTEREST RATE RISK

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

i. RE-PRICING AND LIQUIDITY GAP ANALYSIS

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

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

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

ii. EARNINGS-AT-RISK APPROACH

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

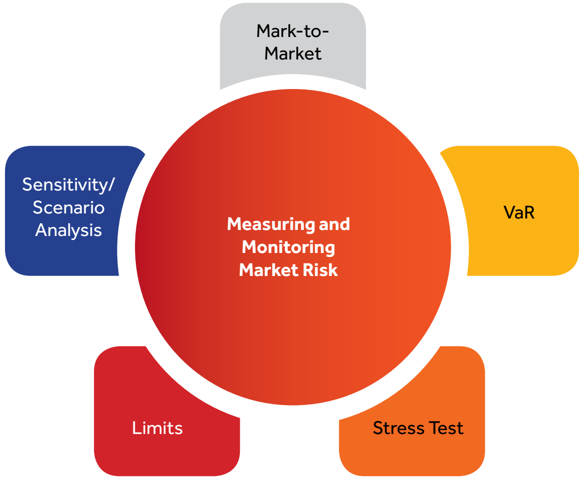
The Bank has limits drawn for this risk measure. They are designed to monitor and control the risk to our projected earnings using various rate scenarios and assumptions. The limit is expressed as a change in projected earnings over a specified time horizon and rate scenario. Scenarios adopted by the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

iii. SENSITIVITY ANALYSIS

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

TRADING PORTFOLIO

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



LIMITS

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

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

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

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

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

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

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

Value-at-Risk Limit: The VaR limit is based on 99% confidence level over a 1 day holding period on the trading book. In line with the Bank's risk appetite, treasury losses are not expected to exceed 1% of total portfolio.

Duration Limit

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

MARK TO MARKET (MTM)

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

STRESS TESTING

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

Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. Market Risk complements the VaR measurement by regular stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

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

Liquidity Risk Management

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

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

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

CONTINGENCY FUNDING PLAN

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

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

ECONOMIC INTELLIGENCE

Economic Intelligence (EI) is in the business of positioning economic, business and financial information/intelligence as tools for helping the Bank achieve its long-term strategic objectives. Its value propositions include supporting the Bank in achieving its moderate risk posturing, price competitiveness, improvement to business intelligence and brand enhancement. It also makes high quality contributions to the Bank's strategy evolution process. It conducts policy-relevant research to support the Bank's goals and strategic objectives. It is the key research arm of the Bank and its activities influence the strategic plans of the various market-facing and non-market-facing business units and other stakeholders.

Some of the Unit's Roles and Responsibilities include:

- Monitoring and interpreting current economic developments/trends wherever the Bank have subsidiary office, preparing projections of the economic outlook and developing reports on economic issues for the Bank.
- Proactively providing industry analysis, identifying investment trends and opportunities for the Bank; monitoring, interpreting and conducting policy-relevant research in the areas of utmost importance to our stakeholders especially our body-corporate
- Leading quantitative and qualitative research projects
- Ensuring proactive and effective dissemination of relevant information such as short- and long-term forecasts to relevant functional units within the Group
- Championing contacts with communications media regarding press releases, public statements and news conferences on economic topics/issues
- Developing contact and collaborative economic/business and financial information research institutes/bodies within the country and outside.

Given the Bank's strategic intent to expand its retail footprint through the combination with the erstwhile Diamond Bank, the Economic Intelligence Unit, during the year, also broadened its functions by creating a dedicated unit called the Retail Intelligence and Analytics. This team is specifically focused on providing insights into developments in the economic, financial and business space as it affects retail, small and medium-sized enterprises. Some responsibilities of the team include:

- Disseminating retail intelligence focused reports to customers in this business segmentation.
- Provide retail opportunities research in support of the bank's retail strategy. This entails sector-specific research that unravels retail business opportunities the bank should exploit.
- Develop in-depth report on changing consumer behavior and consumption patterns, and how this is shaping retail banking using big data, machine learning and artificial intelligence tools.


A
STEP
CLOSER TO
PARENT-
HOOD

03
GOVERNANCE

Access Bank's Directors, their functions; implementing the best standards of corporate governance.

MOSUN
BELO-OLUSOGA, FCA

CHAIRMAN

Appointed November 2007

ANTHONIA O.
OGUNMEFUN

NON-EXECUTIVE DIRECTOR

Appointed April 2011

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Governance and Nomination Committee
- Board Remuneration Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee

Dr. ERNEST **NDUKWE,** OFR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed December 2012

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Governance and Nomination Committee
- Board Remuneration Committee
- Board Digital and Information Technology Committee
- Statutory Audit Committee

Dr. AJORITSEDERE **AWOSIKA,** MFR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed April 2013

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Governance and Nomination Committee
- Board Remuneration Committee
- Board Digital and Information Technology Committee
- Statutory Audit Committee

PAUL **USORO,** SAN

NON-EXECUTIVE DIRECTOR

Appointed January 2014

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Governance and Nomination Committee
- Board Remuneration Committee
- Board Risk Management Committee
- Board Technical Committee on Retail Expansion

ABBA MAMMAN **TOR HABIB**

NON-EXECUTIVE DIRECTOR

Appointed January 2016

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion
- Statutory Audit Committee

IBOROMA **AKPANA**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed March 2017

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Governance and Nomination Committee
- Board Remuneration Committee
- Board Digital and Information Technology Committee
- Board Risk Management Committee
- Board Technical Committee on Retail Expansion

ADENIYI **ADEKOYA**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed March 2017

COMMITTEE MEMBERSHIP

- Board Audit Committee
- Board Credit and Finance Committee
- Board Governance and Nomination Committee
- Board Digital and Information Technology Committee
- Board Risk Management Committee
- Board Technical Committee on Retail Expansion

IFEYINWA **OSIME**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed November 2019

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee

DR. OKEY **NWUKE,** FCA

NON-EXECUTIVE DIRECTOR

Appointed November 2019

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Technical Committee on Retail Expansion

HERBERT **WIGWE,** FCA

GROUP MANAGING DIRECTOR / CEO

Appointed GMD/CEO January 2014

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Governance and Nomination Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion

ROOSEVELT **OGBONNA,** FCA, CFA

GROUP DEPUTY MANAGING DIRECTOR

Appointed GDMD effective May 1, 2017

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion

VICTOR **ETUOKWU,** HCIB

EXECUTIVE DIRECTOR

Appointed January 2012

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee

DR. GREGORY **JOBOME**

EXECUTIVE DIRECTOR/CHIEF RISK OFFICER

Appointed January 2017

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee
- Board Risk Management Committee
- Board Digital and Information Technology Committee
- Board Technical Committee on Retail Expansion

HADIZA **AMBURSA**

EXECUTIVE DIRECTOR

Appointed November 2017

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee

ADEOLU **BAJOMO**

EXECUTIVE DIRECTOR

Appointed January 2018

COMMITTEE MEMBERSHIP

- Board Risk Management Committee
- Board Digital and Information Technology Committee

CHIZOMA **OKOLI,** HCIB

EXECUTIVE DIRECTOR

Appointed March 2019

COMMITTEE MEMBERSHIP

- Board Credit and Finance Committee

SUNDAY **EKWOCHI,** HCIB

COMPANY SECRETARY

EXECUTIVE MANAGEMENT

HERBERT WIGWE, FCA
Group Managing Director &
Chief Executive Officer

ROOSEVELT OGBONNA, FCA, CFA
Group Deputy Managing Director

VICTOR ETUOKWU, HCIB
Executive Director,
Personal Banking

GREGORY JOBOME
Executive Director,
Risk Management

HADIZA AMBURSA
Executive Director,
Commercial Banking

ADEOLU BAJOMO
Executive Director,
IT and Operations

CHIZOMA OKOLI, HCIB
Executive Director,
Business Banking

OUR SUBSIDIARIES

DOLAPO OGUNDIMU
Head, African Cluster

AYOKUNLE OLAJUBU
Managing Director,
Access Bank (Gambia) Ltd

ARINZE OSUACHALA
Managing Director,
Access Bank (R.D. Congo) SARL

JEAN-CLAUDE KARAYENZI
Managing Director,
Access Bank (Rwanda) Plc

GANIYU SANNI
Managing Director,
Access Bank (Sierra-Leone) Ltd

JAMIE SIMMONDS
Managing Director,
The Access Bank (UK) Ltd

JOANA BANNERMAN
Managing Director,
Access Bank (Zambia) Ltd

OLUMIDE OLATUNJI
Managing Director,
Access Bank (Ghana) Plc

STATUTORY AUDIT COMMITTEE

HENRY O. ARAGHO, FCA
Chairman

IDAERE GOGO-OGAN
Member

DR. ERNEST NDUKWE, OFR
Member

DR. AJORITSEDERE AWOSIKA, MFR
Member

OLUTOYIN E. ELEORAMO
Member

ABBA MAMMAN TOR HABIB
Member

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

Corporate information

This is the list of Directors who served in the entity during the 2019 Financial year.

Directors

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

* Appointed effective November 7, 2019
** Appointed effective November 19, 2019
* **Resigned effective March 18, 2019
**** Appointed effective March 22, 2019

Company Secretary
Mr Sunday Ekwochi

Corporate Head Office
Access Bank Plc
Access Tower 14/15, Prince Alaba Oniru Road, Oniru, Lagos
Telephone: +234 (01) 4619264 - 9
+234 (01) 2773399-99
Email: info@accessbankplc.com
Website: www.accessbankplc.com
Company Registration Number: RC125 384
FRC Number: FRC/2012/0000000000271

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

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

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

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

MANAGEMENT TEAM

As at December 31, 2019

EXECUTIVE DIRECTORS

Wigwe, Herbert	Group Managing Director/CEO
Ogbonna, Roosevelt	Group Deputy Managing Director
Etuokwu, Victor	Executive Director, Personal Banking Division
Jobome, Gregory	Executive Director, Risk Management Division
Ambursa, Hadiza	Executive Director, Commercial Banking Division
Adeolu, Bajomo	Executive Director, IT & Operations Division
Okoli, Chizoma	Executive Director, Business Banking Division

GENERAL MANAGERS

Agbede, Bolaji	Head, Group Human Resources,
Aziegbe, Abraham	Group Head,Retail Operations
Boleigha, Pattison	Chief Conduct & Compliance Officer
Kumapayi, Oluseyi	Chief Financial Officer
Martins, Lookman	Group Head, West - Commercial Banking Division
Okeke, Arinze	Group Head South-East/South-South, Commerical Banking Division
Omotoso, Olufemi	Group Head, Commercial Banking Group. North 2
Soji-Okusanya, Iyabo	Group Head, Corporate and Investment Banking Division
Oladipo, Fatai	Group Head, Corporate Counsel
Tiamiyu, Olayinka	Chief Audit Executive

DEPUTY GENERAL MANAGERS

Eze, Emeka	Group Head, Business Banking Division Abuja & North
Shoneye-Vaughan, Yewande	Group Head, Business Banking Division, Lagos Island
Fagge, Tata Rabiu	Zonal Head, Commercial Banking Division, North 1
Opara, Ralph	Group Head, Commercial Banking Division, Lagos 2
Usoro, Nsikak	Group Head, Commercial Banking Division, Abuja
Dada, Abiodun	Group Head, Oil and Gas, Corporate and Investment Banking Division
Ohiowele, Ehizojie	Sector Head, Transportation, Corporate and Investment Banking Division
Okafor, Chizoba	Group Head, Value Chain Management
Olatunji, Olasunmbo	Group Treasurer
Ekwochi, Sunday	Group Company Secretary
Okobi, Amaechi	Group Head, Corporate Communications
Uja, Uzoma	Unit Head, Litigation and Dispute Resolution
Femi Oyewole, Favour	Group Chief Information Security Officer
Emefiele, Ifeanyi	Unit Head, Anti-Fraud
Atom, Mac	Group Head, Enterprise Business Services
Ajimoko, Kolawole	Chief Risk Officer (Subsidiaries)
Okoro, Nkem	Regional Sales Director, South-South
Adogu, Neka	Group Head,Private Banking

ASSISTANT GENERAL MANAGERS

Nwanna, Helen	Zonal Head, Business Banking Division, Abuja
Nwogu, Iheanyi	Group Head, Business Banking Division
Animashaun, Bolarinwa	Group Head, Business Banking Division, Lagos Mainland
Olojede, Ayodele	Head, Emerging Businesses
Osisiogu, Chris	Assistant General Manager, Subsidiaries Business Development
Samdi, Vatshi	Zonal Head , Commercial Banking, Lagos Team 4
Umar, Darma	Zonal Head, Commercial Banking Division, Zone 5, North
Iyaji, John	Zonal Head, Commercial Banking Division, Zone 6 North
Adelabu, Muhammed	Zonal Head, Commercial Banking Division, West
Nkwonta, Emeka	Unit Head Oil & Gas Upstream and Power
Olabode, Eyitayo	Sector Head, Food & Beverages/Cement & Construction
Okafor, Victor	Group Head, Financial Institutions
Olufeko, Seun	Group Head Projects & Structured Finance
Gogo-Anazodo, Isioma	Conduct & Compliance
Etim, Inyang	Conduct & Compliance
Victor-Laniyan, Omobolanle	Unit Head, Sustainability
Iwuajoku, Linus	Head, Strategy
Nwokeafor, Gabriel	Human Resources & Executive Office
Adesoji, Olasoko	Head of Risk Management, Corporate & Investment Banking
Asiemo Paul	Group Head, Risk Analytics & Reporting
Faleye, Omobola	Group Head, Credit Admin & Portfolio
Wang, Sunday	Group Head, Remedial Assets Management
Nunayon, Ahisu	Unit Head, Remedial Assets Management
Adeniyi, Olusegun	Head, Africa Fintech Foundry, Information Technology Group
Onuoha, Ihunanya	Group Head,Corporate Operations,
Okoli, Sandra	Group Head,Centralised Operations
Olugbenga, Babatunde	Head, Group IT Infrastructure & Services, Information Technology
Soladoye, Toyese	Head, Information Technology Governance
Adegoke, Ayobami	Group Head, Retail Operations North
Esomeju, Njideka	Regional Sales Director, Lagos 1
Olubusola, Osilaja	Group Head, Channels Services
Ononiwu, Iheanyi	Assistant General Manager, Subsidiaries Operations
Afe, Chioma	Group Head, Market Communication

SUBSIDIARIES

Ogundimu, Dolapo	Head, African Cluster
Aluko, David	General Manager, Subsidaries Business Development
Odegbaike, Ibukun	General Manager, Subsidaries Business Development
Olatunji, Olumide	Managing Director, Access Bank Ghana
Olajubu, Ayokunle	Managing Director, Access Bank Gambia
Ologun, Adesipe	Chief Operating Officer - Access Bank (Ghana)
Sanni, Ganiyu	Managing Director, Access Bank Sierra Leone
Osuachala, Arinze	Managing Director, Access Bank Congo
Durojaiye, Patrick	Deputy General Manager, Subsidaries Business Development
Karayenzi, Jean Claude	Managing Director, Access Bank Rwanda
Bannerman, Joana	Managing DirectorAccess Bank Zambia

Directors' Report

For the year ended 31 December, 2019

The Directors have pleasure in presenting their report on the affairs of Access Bank Plc (the "Bank") together with its subsidiaries (the "Group"), the Group and the Bank's Audited Financial Statements with Auditor's Report for the year ended 31 December 2019.

Legal form and principal activity

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

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

During the year, the Bank consumated a business combination with the defunct Diamond Bank Plc via a Scheme of Merger under which all the assets and liabilities and undertakings of Diamond Bank were transferred to Access Bank.

The Bank has the following subsidiaries: Access Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank (UK) Limited, Access Bank (Ghana) Plc, Access Bank (Rwanda) Plc, Access Pension Fund Custodian Ltd and Access Bank (D.R. Congo). Access Pension Fund Custodian Ltd (formerly Diamond Pension Fund Custodian Ltd) was acquired during the merger of Access Bank Plc and defunct Diamond Bank Plc. By virtue of the merger, the Bank also has Diamond Finance B.V, an offshore Special Purpose Vehicle used for the issuance of the U.S.$50,000,000, 7.25 Per Cent participatory Notes which is due in 2021, guaranteed by Diamond Bank. During the year, Diamond Bank UK was sold and has been derecognized.

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

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

Operating results

Highlights of the Group's operating results for the year are as follows:

	Group December 2019	**Group December 2018**	**Bank December 2019**	**Bank December 2018**
In thousands of Naira				
Gross earnings	666,753,600	528,744,579	576,347,839	435,743,037
Profit before income tax	115,378,579	103,187,703	82,666,776	75,248,146
Income tax	(17,868,920)	(8,206,617)	(9,097,722)	(1,651,851)
Profit for the year	97,509,659	94,981,086	73,569,054	73,596,295
Other comprehensive (loss)/income	1,809,661	(16,547,933)	6,815,860	(5,456,303)
Total comprehensive income for the year	99,319,320	78,433,153	80,384,914	68,139,992
Non-controlling interest	(658,472)	(962,845)	-	-
	98,660,848	77,470,307	80,384,914	68,139,991

	Group	Group	Bank	Bank
	December 2019	**December 2018**	**December 2019**	**December 2018**
In thousands of Naira				
Earnings per share - Basic (k)	290	331	217	254

	Group	**Group**	**Bank**	**Bank**
	December 2019	**December 2018**	**December 2019**	**December 2018**
Total equity	610,192,895	490,511,755	542,941,104	440,799,757
Total impaired loans and advances	188,462,451	55,449,509	172,546,009	44,246,182
Total impaired loans and advances to gross risk assets (%)	5.79%	2.49%	6.10%	2.38%

Interim dividend

The Board of Directors proposed and paid Interim Dividend of 25 Kobo per ordinary share of 50 Kobo each (HY2018: 25Kobo) each on the 35,545,225,622 issued ordinary shares of 50k each payable to shareholders on the register of shareholding at the closure date. Withholding tax was deducted at the time of payment.

Proposed dividend

The Board of Directors has recommended a Final Dividend of 40 Kobo (FY2018: 25Kobo) per ordinary share of 50 kobo for the year payable to shareholders on the register of shareholding at the closure date. Withholding Tax will be deducted at the time of payment.

Directors and their interests

The Directors who served during the year, together with their direct and indirect interests in the issued share capital of the Bank as recorded in the Register of Directors' Shareholding and as notified by the Directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act and listing requirements of the Nigerian Stock Exchange is noted below:

	Number of Ordinary Shares of 50k each held as at 31 December 2019			
	December 2019		**December 2018**	
	Direct	Indirect	Direct	Indirect
M. Belo-Olusoga	4,354,838	-	3,604,838	-
H. O. Wigwe	201,231,713	1,240,291,197	201,231,713	1,240,291,197
R. C. Ogbonna	31,325,167	-	31,325,167	-
A. O. Ogunmefun	-	2,075,928	-	1,489,521
V.O. Etuokwu	16,851,125	-	16,851,125	-
T. Osuntoki*	29,815,811	-	29,815,811	-
P. Usoro	1,209,634	-	1,209,634	-
A. Awosika	-	-	-	-
E. Ndukwe	4,740,630	-	700,000	-
A. Mamman Tor Habib	-	-	-	-
G. Jobome	10,168,772	-	7,569,956	-
I. T Akpana	314,996	-	314,996	-
A. A. Adekoya	-	-	-	-
H. Ambursa	10,636,094	-	8,709,527	-
A. Bajomo	477,957	-	-	-
C. Okoli**	656,322	-	-	-
O. Nwuke***	1,739,293	-	-	-
I. Osime****	10,179	-	-	-

* Resigned effective March 18, 2019
** Appointed effective March 22, 2019
*** Appointed effective November 19, 2019
**** Appointed effective November 7, 2019

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

		December 2019	December 2018
H.O. Wigwe	United Alliance Company of Nig. Ltd	537,734,218	537,734,218
	Trust and Capital Limited	702,556,979	702,556,979
A.O. Ogunmefun	L.O.C Nominees, Limited	2,075,928	1,489,521

Directors' Interest in Contracts

In accordance with the provisions of Section 277 (1) and (3) of the Companies and Allied Matters Act of Nigeria, the Board has received a declaration of interest from the under-listed directors in respect of the companies (vendors to the bank) set against their respective names.

Related Director	Interest in Entity	Name of Company	Services to the Bank
Mrs. Mosun Belo- Olusoga	Director and Shareholder	The KRC Limited	Training
Mrs. Anthonia Ogunmefun	Director and Shareholder	LOC Nominees Ltd	Property Short Term Rental
Dr. Ernest Ndukwe	Director	MTN Nigeria	Telecommunications
Dr. Ernest Ndukwe	Director	Systemspecs	Payment Services
Mr. Paul Usoro (SAN)	Director and Shareholder	Paul Usoro & Co	Legal Services
Mr. Paul Usoro (SAN)	Director and Shareholder	PZ Cussons Nigeria Plc	Manufacturing of household items
Dr. Okey Nwuke	Director	Coscharis Group	Vehicles Sales and Maintenance
Dr. Okey Nwuke	Director and Shareholder	Simply Gifts and Interiors Ltd	Corporate Gifts and Interiors
Dr. Okey Nwuke	Director and Shareholder	First Ally Asset Management Limited	Asset Management Services
Dr. Okey Nwuke	Director and Shareholder	Claritus Limited	Property Rentals
Mrs. Ifeyinwa Osime	Director	Wapic Insurance Plc	Insurance services
Mrs. Ifeyinwa Osime	Director	Wapic Life Insurance Ltd	Life Insurance Services
Mr. Herbert Wigwe	Shareholder	Wapic Insurance Plc and its subsidiaries	Insurance
Mr. Herbert Wigwe	Shareholder	Coronation Securities Limited and its subsidiaries	Financial Services
Mr. Herbert Wigwe	Indirect Shareholder	United Securities Limited	Securities Registrar Services
Dr. Gregory Jobome	Director	CRC Credit Bureau Ltd	Credit Bureau Reference Service

Analysis of Shareholding

The shareholding pattern of the Bank as at 31 December 2019 was as stated below:

	December 2019			
Range	**Number of Shareholders**	**% of Shareholders**	**Number of shares held**	**% of Shareholders**
Domestic Shareholders				
1 - 1,000	483,110	52.45%	92,187,759	0.26%
1,001 - 5,000	271,393	29.46%	604,186,062	1.70%
5001 - 10,000	68,870	7.48%	473,976,101	1.33%
10,001 - 50,000	74,687	8.11%	1,510,926,761	4.25%
50,001- 100,000	11,106	1.21%	803,091,167	2.26%
100,001 - 500,000	8,454	0.92%	1,702,332,414	4.79%
500,001 - 1,000,000	1,018	0.11%	735,081,095	2.07%
1,000,001 - 5,000,000	875	0.09%	1,745,587,871	4.91%
5,000,001 - 10,000,000	119	0.01%	867,656,944	2.44%
10,000,001 - 50,000,000	143	0.02%	3,310,512,009	9.31%
50,000,001 - 100,000,000	35	0.00%	2,499,101,362	7.03%
100,000,001 - 500,000,000	41	0.00%	9,578,283,038	26.95%
500,000,001 - 1,000,000,000	3	0.00%	2,191,617,277	6.17%
1,000,000,001 - 10,000,000,000	5	0.00%	7,085,032,376	19.93%
	919,859	**99.86%**	**33,199,572,236**	**93.40%**

Foreign Shareholders				
1 - 1,000	312	0.03%	99,909	0.00%
1,001 - 5,000	325	0.04%	855,737	0.00%
5001 - 10,000	148	0.02%	1,090,478	0.00%
10,001 - 50,000	343	0.04%	7,895,134	0.02%
50,001- 100,000	58	0.01%	4,029,667	0.01%
100,001 - 500,000	33	0.00%	6,120,644	0.02%
500,001 - 1,000,000	5	0.00%	2,974,385	0.01%
1,000,001 - 5,000,000	4	0.00%	10,302,750	0.03%
5,000,001 - 10,000,000	3	0.00%	21,115,836	0.06%
10,000,001 - 50,000,000	7	0.00%	125,715,993	0.35%
50,000,001 - 100,000,000	2	0.00%	123,385,748	0.35%
100,000,001 - 500,000,000	2	0.00%	296,680,834	0.83%
500,000,001 - 1,000,000,000	1	0.00%	564,553,083	1.59%
1,000,000,001 - 10,000,000,000	1	0.00%	1,180,833,188	3.32%
	1,244	**0.14%**	**2,345,653,386**	**6.60%**
Total	**921,103**	**100.00%**	**35,545,225,622**	**100.00%**

Shareholding Analysis as at 31 December 2019

Type of Shareholding	Holdings	Holding %
Retail investors	9,098,514,008	25.60%
Domestic institutional investors	24,024,801,093	67.59%
Foreign institutional investors	2,345,653,386	6.60%
Government related entities	76,257,135	0.21%
	35,545,225,622	**100%**

The shareholding pattern of the Bank as at 31 December 2018 is as stated below:

	December 2018			
Range	**Number of Shareholders**	**% of Shareholders**	**Number of shares held**	**% of Shareholders**
Domestic Shareholders				
1 - 1,000	408,498	50.60%	65,413,066	0.23%
1,001 - 5,000	247,369	30.64%	546,296,457	1.89%
5001 - 10,000	63,743	7.90%	436,780,841	1.51%
10,001 - 50,000	67,592	8.37%	1,355,844,346	4.69%
50,001- 100,000	10,062	1.25%	729,844,271	2.52%
100,001 - 500,000	7,346	0.91%	1,470,500,131	5.08%
500,001 - 1,000,000	811	0.10%	588,013,814	2.03%
1,000,001 - 5,000,000	685	0.08%	1,349,100,662	4.66%
5,000,001 - 10,000,000	108	0.01%	785,928,136	2.72%
10,000,001 and above	179	0.02%	20,063,120,380	69.36%
	806,393	**99.89%**	**27,390,842,104**	**94.69%**
Foreign Shareholders				
1 - 1,000	238	0.03%	70,388	0.00%
1,001 - 5,000	230	0.03%	599,830	0.00%
5001 - 10,000	110	0.01%	807,956.00	0.00%
10,001 - 50,000	259	0.03%	5,969,781	0.02%
50,001- 100,000	54	0.01%	3,813,892.00	0.01%
100,001 - 500,000	22	0.00%	4,170,142	0.01%
500,001 - 1,000,000	4	0.00%	2,314,669.00	0.01%
1,000,001 - 5,000,000	4	0.00%	9,488,479	0.03%
5,000,001 - 10,000,000	0	0.00%	-	0.00%
10,000,001 and above	7	0.00%	1,509,894,390	5.22%
	928	**0.11%**	**1,537,129,527**	**5.31%**
Total	**807,321**	**100%**	**28,927,971,631**	**100%**

Shareholding Analysis as at 31 December 2018

Type of Shareholding	Holdings	Holding %
Retail investors	9,281,045,393	32.08%
Domestic institutional investors	18,067,089,866	62.46%
Foreign institutional investors	1,513,164,479	5.23%
Government related entities	66,671,893	0.23%
	28,927,971,631	**100%**

Substantial interest in shares

According to the register of members at 31 December 2019, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

	December 2019		December 2018	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Stanbic Nominees Nigeria Limited*	5,276,579,505	14.84%	4,761,014,466	16.46%

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

Donations and charitable gifts

The Bank identifies with the aspirations of the community and the environment in which it operates. The Bank made contributions to charitable and non-charitable organisations amounting to ₦353,911,848 (December 2018: ₦376,753,000) during the year, as listed below:

S/N	Beneficiary	Purpose	Amount
1	Lagos State Security Trust Fund (LSSTF)	Sponsorship Payment for Lagos State Security Trust Fund	100,000,000
2	Nigerian Tulip International Colleges & National Mathematical Center	Sponsorship of the Annual National Mathematics Competition hosted by NTIC	50,000,000
3	United Nations Educational, Scientific and Cultural Organization (UNESCO)	Supporting the United Nations Educational, Scientific and Cultural Organization (UNESCO's) Priority Africa Programme	36,500,000
4	The Africa Center	Sponsorship of The Africa Center	36,194,000
5	Insurance Industry Consultative Council (IICC)	Sponsorship of the Insurance Industry Consultative Council (IICC)	25,000,000
6	CSR-in-Action	CSR in favour of Nigerian Police Force	13,900,000
7	Nigeria Police Force	Support towards Police Logistics	10,123,750
8	Central Bank of Nigeria (CBN)	Sponsorship of Technical Coordination of CBN Roundtable on inclusive growth (Road to Growth)	10,000,000
9	Fintech Association of Nigeria	Contribution to the 2019 Conference of Nigerian Fintech Week	10,000,000
10	GBC Health	Contribution to Corporate Alliance on Malaria in Africa	9,100,000
11	Chartered Institute of Bankers of Nigeria (CIBN)	Contribution towards the Financial Literacy Campaign by Banker's Committee	5,765,040
12	Nigerian Stock Exchange	Contribution towards the 2019 Nigerian Stock Exchange 2019 Essay Competition	4,500,000
13	Healthbot Service Project	Supporting the Healthbot Service Project	4,000,000
14	Xploit Consult	Supporting XPLOITS E-Waste Stakeholders Session	4,000,000
15	Hacey Health Initiative	Supporting the Hacey Health 2019 World AIDS Day Program	4,000,000
16	Obafemi Awolowo University (OAU)	Contribution towards the construction of Road in OAU	3,829,058

17	Glow Initiative for Economic Empowerment (GIEE)	Supporting (GIEE) Glow Initiative for Economic Empowerment in the commemoration of 2019 World Environment Day	2,000,000
18	Emerging Communities Initiative	Supporting the Emerging Communities Initiative Punch Out Cancer project	2,000,000
19	Centre for Youth Studies (CYS)	Supporting Centre for Youth Studies (CYS) programme for Persons with Disabilities	2,000,000
20	GBC Health & Hacey Health	Contributions to GBC Health and Hacey Health towards supporting 2019 World Malaria Day	2,000,000
21	Curves International	Contribution towards the Lagos Women Fitness Fair (LWFF)	2,000,000
22	Learning As I Teach Foundation	Supporting the Learning As I Teach Foundation for the World Teachers Day	2,000,000
23	Childhood Advancement Response & Empowerment (CARE) Initiative	Supporting the Care Trust United Nation's Universal Childrens Day	2,000,000
24	Stanforte Edge	Supporting the 2019 United Nations International Literacy Day	2,000,000
25	Stanforte Edge	Support for the Digital Literacy Project	2,000,000
26	Childhood Advancement Response & Empowerment (CARE) Initiative	Supporting the Care Trust Without Abuse Project	2,000,000
27	Hacey Health Initiative	Support for Hacey Health Event at the United Nations General Assembly (UNGA)	2,000,000
28	Nirvana Initiative	Support for Sickle Cell Awareness Month	2,000,000
29	Hacey Health Initiative	Supporting the Commemoration of the 2019 World Cancer Day	1,000,000
30	Hacey Health Initiative	Supporting Hacey Health 2019 World Health Day programs	1,000,000
31	COPE Initiative	Support for COPE Foundation Breast Cancer	1,000,000
			353,911,848

Property and equipment

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

Human resources

(i) Report on diversity in employment

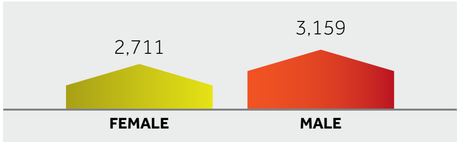
The Bank operates a non-discriminatory policy in the consideration of applications for employment. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

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

(a) Composition of Employees by Gender

Total number of female - 2,711

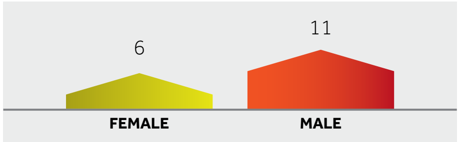
Total number of male - 3,159



(b) Board Composition by Gender

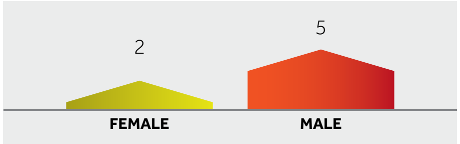
Total number of female on the Board - 6

Total number of male on the Board - 11



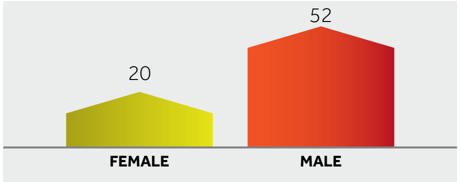
(c) Top Management (Executive Director to CEO) Composition by Gender

Total number of female in Executive Management position	2
Total number of male in Executive Management position	5



(d) Top Management (AGM to GM) Composition by Gender

Total number of female in Top Management position	20
Total number of male in Top Management position	52



(ii) Employment of disabled persons

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

(iii) Health, safety and welfare of employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank retains top-class hospitals where medical facilities are provided for its employees and their immediate families at its expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

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

(iv) Employee involvement and training

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

(v) Statement of commitment to maintain positive work environment

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

Credit Ratings

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

Furthermore, it is required that banks should disclose this credit rating prominently in their published annual reports periodically." Below are the credit ratings that Access Bank has been assigned by the various credit rating agencies that have rated the Bank, in no particular order:

Long Term Local Credit Ratings

	Long Term	Date
Standard & Poor's	A	Jul-19
Fitch Ratings	A+	Jul-19
Agusto & Co	AA-	Jul-19
Moody's	A1	Apr-19

Long Term Counterparty Credit Ratings

	Long Term	
Standard & Poor's	B	Jul-19
Fitch Ratings	B	Jul-19
Moody's	B2	Apr-19

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

Audit committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act of Nigeria, the Bank has an Audit Committee comprising three directors and three shareholders as follows:

1	Mr. Henry Omatsola Aragho	-	Shareholder	Chairman
2	Mr. Olutoyin Eleoramo	-	Shareholder	Member
3	Mr. Idaere Gogo-Ogan	-	Shareholder	Member
4	Dr. Ernest Ndukwe	-	Director	Member
5	Dr. (Mrs.) Ajoritsedere Awosika	-	Director	Member
6	Mr. Abba Mamman Tor Habib	-	Director	Member

The functions of the Audit Committee are as provided in Section 359(6) of the Companies and Allied Matters Act of Nigeria.

The auditors, PricewaterhouseCoopers have indicated their interest to continue in office and will do so pursuant to section 357(2) of the Companies and Allied Matters Act

BY ORDER OF THE BOARD

Access Tower
14/15, Prince Alaba Oniru Street
Oniru Estate, Lekki, Lagos

Sunday Ekwochi
Company Secretary
FRC/2013/NBA/00000005528

CORPORATE GOVERNANCE REPORT

The Board of Access Bank Plc ('the Bank') is pleased to present the Corporate Governance Report for 2019 Financial Year. The report provides insight into the operations of our governance framework and Board's key activities during the year.

The Board recognizes that effective governance is a key imperative for strong corporate performance and sustainable prosperity of the firm. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders, which is critical to sustainable growth. The Group's corporate governance framework is designed to align management's actions with the interests of shareholders while ensuring an appropriate balance with the interests of other stakeholders. Our corporate governance systems ensure on-going compliance with the Bank's governance charter and relevant codes of corporate governance as well as the post listing requirements of the stock exchanges where our securities are listed. Our governance model is founded on key pillars of diversity, accountability, responsibility, transparency, independence, fairness and discipline. The Bank's governance policies and structure are regularly reviewed to reflect changes in the operating environment, regulation and best practices.

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

The Board

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

The Board witnessed significant renewal in 2019 with the appointment of a new Chairman, one Independent Non-Executive Director, a Non-Executive Director and an Executive Director. Dr. Ajoritsedere Awosika was appointed the new Chairman to succeed Mrs. Mosun Belo-Olusoga whose tenure expires in January 2020. With the right balance of skills, experience and diversity, we are confident that the new appointments will steer the Board in the right direction and position the Bank for delivery of sustainable value to our stakeholders.

Composition and Role

As at December 31, 2019, the Board was made up of 17 members, comprising 10 Non-Executive Directors, 5 of whom are Independent Directors, and 7 Executive Directors. Six of the Board Members are female.

BOARD MEMBERS PROFILE

Mosun Belo-Olusoga, FCA

Chairman

Mrs. Belo-Olusoga has served on several other prestigious boards, including Premium Pensions Limited and Action-Aid Nigeria. She currently sits on the boards of Finance and Commercial Services Ltd, FCSL Asset Management, MTN Nigeria Foundation and Mainstream Energy Foundation. She is the Pro Chancellor and Chairman of Council, Olabisi Onabanjo University and Co-Chair of Women Corporate Directors. She founded the City of Knowledge Academy, a co-educational secondary institution established to provide excellent academic and leadership training for young minds in a safe and secure environment.

Mrs. Belo-Olusoga had an illustrious banking career spanning nearly three decades and retired from Guaranty Trust Bank Plc in 2006 as an Executive Director.

She is a graduate of Economics from the University of Ibadan. She qualified as a Chartered Accountant in 1983 and is a Fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Bankers of Nigeria. Appointed in November 2007, her appointment was approved by the Central Bank of Nigeria in January 2008. She was the Chairperson of the Board Credit and Finance Committee until her appointment as Chair of the Board in July 2015. She retired from the Board on January 8, 2020 having served the maximum 12-year tenure permitted by the Central Bank of Nigeria's Code of Corporate Governance for Bank in Nigeria.

Anthonia O. Ogunmefun

Non-Executive Director

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

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

She is 68 years old as at the date of this meeting.

Ernest Ndukwe, OFR

Independent Non-Executive Director

Dr. Ndukwe is an Electrical/Electronics Engineer, with over three decades of experience in the telecommunications industry. He was the Managing Director of General Telecoms between 1989 and 2000 and Executive Vice Chairman of Nigerian Communications Commission between 2000 and 2010.

He is a graduate of the University of Ife and an alumnus of Lagos Business School. He is a Fellow of the Nigerian Society of Engineers, Nigerian Institute of Management and Nigerian Academy of Engineering.

Dr. Ndukwe sits on the boards of Systemspecs Limited, Open Media Group and MTN Communications Nigeria Plc. He joined the Board of Access Bank in December 2012 and chaired the Board Audit Committee and Board Digital and Information Technology Committee.

Dr. Ndukwe is 71 years old as at the date of this meeting.

Ajoritsedere Awosika, MFR

Independent Non-Executive Director

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

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

She sits on the board of Capital Express Assurance Ltd, Chams Plc, and Josephine Consulting Limited.

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

She is 67 years old as at the date of this meeting.

Paul Usoro, SAN

Non-Executive Director

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

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

He holds a Bachelor of Laws degree from the University of Ife (1981), and was called to the Nigerian Bar in 1982. Mr Usoro joined the Board in January 2014. In 2019, he chaired the Board Committees on Governance and Nomination, Remuneration and Retail Expansion.

He is aged 61 at the date of this meeting.

Abba Mamman Tor Habib

Non-Executive Director

Mr. Habib is a thoroughbred banking professional with over 20 years' experience, 15 of which were spent with Guaranty Trust Bank Plc where he voluntarily resigned in 2008 as an Executive Director. His experience in Guaranty Trust Bank spanned Corporate Banking and Risk Management. Mr. Habib is the Managing Director of Gremcoh Services Limited, his family-owned agricultural and real estate enterprise.

He holds a first-class degree in Agricultural Economics from the University of Maiduguri and a Master of Science in Banking and Finance from Bayero University, Kano. He has attended several Executive Development Programmes in leading institutions, including African Development Bank, Harvard, IMD, D.C Gardner London and INSEAD.

He joined the Board in January 2016 and served as the Vice-Chairman of the Board Credit and Finance Committee, Board Risk Management Committee and Board Technical Committee on Retail Expansion in 2019.

Mr. Habib is 58 years old as at the date of this meeting.

Adeniyi Adekoya

Independent Non- Executive Director

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

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

He joined the Board in March 2017 and is the Vice-Chairman of the Board Digital and Information Technology Committee. He sits on the boards of Synerpet Ltd and Weston Integrated Services Ltd.

Mr Adekoya is aged 53 years old as at the date of this meeting.

Iboroma Akpana

Independent Non-Executive Director

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

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

Mr. Akpana is a member of the International Bar Association, American Bar Association, New York State Bar Association, Nigerian Bar Association and the Law Society of England and Wales. He joined the Board in March 2017. He was the Vice-Chairman of the Board Remuneration Committee. He sits on the Board of Amni International Petroleum Services Ltd.

Mr. Akpana is aged 55 years as at the date of this meeting.

Mrs. Ifeyinwa Osime

Independent Non-Executive Director

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

She has championed and established a special needs programme which is actively involved in the management and care of children and young people with special needs. She is currently engaged in legal practice with Macpherson Legal Practitioners, a Lagos-based law firm. She is an Independent Non-Executive Director of WAPIC Insurance Plc and WAPIC Life Ltd.

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

She holds an LLM degree from University of London (1989) with specialization in Corporate and Commercial Law, and an LLB degree from the University of Benin (1986).

She joined the Board in November 2019 following the approval of the Central Bank of Nigeria.

Mrs. Osime is 52 years old as at the date of this meeting.

Dr. Okey Nwuke

Non-Executive Director

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

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

Dr. Nwuke's key competencies include finance, strategy development and execution, organizational restructuring and transformation, leadership and change management. He joined the Board of Coscharis Group in August 2014 and is currently responsible for the strategic drive to position it for sustainability. He currently chairs the Shareholders' Audit Committee of NASCON Plc.

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

He joined the Board in November 2019 following the approval of the Central Bank of Nigeria.

He is 53 year old as at the date of this meeting.

Herbert Wigwe, FCA

Group Managing Director / Chief Executive Officer

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

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

Mr Wigwe is also the Chairman of The Access Bank (UK) Ltd and a Non-Executive Director of Nigerian Mortgage Refinance Company Plc, FMDQ OTC Securities Exchange and Shared Agents Network Expansion Facilities Ltd. He is also a member of the Governing Council of the Chartered Institute of Bankers of Nigeria.

He is 53 years old as at the date of this meeting.

Roosevelt Ogbonna, FCA, CFA

Group Deputy Managing Director

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

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

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

He is 46 years old as at the date of this meeting.

Victor Etuokwu, HCIB

Executive Director
Personal Banking

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

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

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

Mr. Etuokwu is 53 years old as at the date of this meeting

Dr. Gregory Ovie Jobome

Executive Director
Chief Risk Officer

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

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

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

He is the Chairman of CRC Credit Bureau Ltd, an investee company of the Bank.

Dr. Jobome is 54 years old as at the date of this meeting.

Hadiza Ambursa

Executive Director
Commercial Banking

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

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

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

She is 49 years old as at the date of this meeting.

Adeolu Bajomo

Executive Director
Information Technology & Operations

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

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

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

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

He is 54 years old as at the date of this meeting.

Chizoma Okoli

Executive Director
Business Banking Division

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

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

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

Mrs. Okoli is 51 years old as at the date of this meeting.

Sunday Ekwochi, HCIB

Company Secretary

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

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

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

Performance Monitoring and Evaluation

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

The Board usually holds an annual Board Retreat, where the strategy for the coming year is rigorously debated and agreed between Management and the Board. The Board held its 11th Annual Retreat at Kempinski Hotel, Accra, Ghana on July 19-20, 2019. Management provides the Board with quarterly updates on implementation of the strategy, affording the Board the opportunity to critique the Management's performance and access significant risk issues as well as mitigating controls implemented.

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

The Bank's performance on Corporate Governance is continuously being monitored and reported. We carry out quarterly and annual reviews of our compliance with the CBN and the SEC Codes respectively and render appropriate reports to the regulators.

Board assessment, when done effectively, provides the board with the opportunity to identify and remove obstacles to better performance and to strengthen what works well. The Board has established a system of independent annual evaluation of its performance, that of its committees and individual Directors. The evaluation is done by an independent consultant approved by the Board. Ernest and Young was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2019.

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

In compliance with the CBN Code, the 2018 Annual Board Performance Evaluation Report was presented to shareholders at the Bank's 30th Annual General Meeting, held on April 25, 2019, by a representative of Ernst and Young Limited, while the result of the 2019 Board Performance was presented at the Board meeting held on February 10, 2020. The summary of the 2019 report is contained herein at page 25 The result confirmed that the individual Directors and the Board continue to operate at a very high level of effectiveness and efficiency.

Board Composition- Guiding Principles

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

The Board's composition is aligned with global best practice on the parity of Non-Executive Directors to Executive Directors. In 2019, the Board had more Non-Executive Directors than Executive Directors, with five Non-Executive Directors being Independent as against two required by the Central Bank of Nigeria's Code of Corporate Governance for Banks in Nigeria. Non-Executive Directors are appointed to the Board to bring independent, specialist knowledge and impartiality to strategy development and execution monitoring. The Board is committed to improving gender diversity in its composition, with 35% female membership as at December 31, 2019 (2018: 33%), well above Nigeria's national average of 12%.

Re-election, Election and Retirement of Directors

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

Dr. (Mrs.) Ajoritsedere Awosika and Mr. Abba Mamman Tor Habib retired at the Bank's 30th Annual General Meeting held on April 25, 2019 and being eligible for re-election were duly re-elected by shareholders.

In the course of the year, Mrs Titi Osuntoki resigned her appointment to enable her to pursue other personal interests. Until her resignation, she was the Executive Director Business Banking. The Board commends Mrs. Osuntoki for her contributions to the Bank and wishes her success in her future endeavours.

In the course of 2019, the Board appointed Mrs. Ifeyinwa Osime and Dr. Okey Nwuke as Independent Non-Executive Director and Non-Executive Director respectively. Both appointments have been approved by the Central Bank of Nigeria. In line with the provisions of the Articles of Association, both appointees will retire at this meeting and will submit themselves for election.

Pursuant to the provisions of the Bank's Articles of Association, Messrs Adeniyi Adekoya and Iboroma Akpana will retire during this Annual General Meeting and being eligible for re-election will submit themselves for re-election. The Board is convinced that the Directors standing for election and re-election will continue to add value to the Bank. The Board believes that they are required to maintain the needed balance of skill, knowledge and experience on the Board.

The biographical details of the Directors standing for election and re-election are contained on page 118-119 of this report.

Board Effectiveness

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

Training and Induction

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

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

STATUS OF DIRECTORS' TRAINING- 2019

S/N	NAME OF DIRECTOR	TRAINING	FACILITATOR	DATE	STATUS
1	Hadiza Ambursa	Finance for Senior Executives	Harvard Business School	February 3-8,2019	Done
2	Anthonia Ogunmefun	Strategic Thinking and Leadership	Wharton School, University of Pennsylvania	February 3-6, 2019	Done
3	Adeolu Bajomo	Driving Digital Strategy	Harvard Business School	March 31-April 5, 2019	Done
4	Anthonia Ogunmefun	Bank Directors' Conference on Cyber-security	Bank Directors Association of Nigeria	April 4, 2019	Done
5	Adeniyi Adekoya	Value Creation through Effective Boards	IESE Business school and HBS	May 20-23, 2019	Done
6	Gregory Jobome	International Symposium on Economic Crime	University of Cambridge	September 1-8, 2019	Done
7	Ernest Ndukwe	Developing Exceptional Board Leaders	Columbia Business School	September 18-20, 2019	Done
8	Victor Etuokwu	Orchestrating Winning Performance	IMD	September 24-28,2019	Done
9	Abba Habib	Digital Transformation-Repositioning Financial Institutions: Perspectives and Imperatives for the Board'	Financial Institutions Training Centre	SEPTEMBER 24-25, 2019	Done
10	Mosun Belo-Olusoga	AML/CFT Training	Intergovernmental Action Group Against Money Laundering in West Africa (GIABA)	December 16, 2019	Done
	Ajoritsedere Awosika				
	Anthonia Ogunmefun				
	Ernest Ndukwe				
	Mr. Paul Usoro				
	Abba Habib				
	Adeniyi Adekoya				
	Iboroma Akpana				
	Ifeyinwa Osime				
	Okey Nwuke				
	Herbert Wigwe				
	Roosevelt Ogbonna				

	Victor Etuokwu				
	Gregory Jobome				
	Hadiza Ambursa				
	Adeolu Bajomo				
	Chizoma Okoli				

Shareholders and Regulatory Engagement

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

Shareholders meetings are convened and held in an open manner in line with the Bank's Articles of Association and existing statutory and regulatory regimes, for the purpose of deliberating on issues affecting the Bank's strategic direction. The Annual General Meeting is a medium for promoting interaction between the Board, management and shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies, while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, the Central Bank of Nigeria and the Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of meetings. An Extraordinary General Meeting may also be convened at the request of the Board or shareholders holding not less than 10% of the Bank's Paid-Up Capital.

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

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

Access to Information and Resources

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

Board Responsibilities

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

Term of Office

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

Separation of Roles

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

The Role of the Board

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

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

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

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

The Role of the Group Chairman

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

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

- Primarily responsible for the effective operation of the Board and ensures that the Board works towards achieving the Bank's strategic objectives.
- Setting the agenda for board meetings in conjunction with the Group Managing Director/Chief Executive Officer and the Company Secretary.
- Approval of the Annual Board Activities Calendar.
- Playing a leading role in ensuring that the Board and its committees have the relevant skills and competencies for their job roles.
- Ensuring that Board meetings are properly conducted and that the Board is effective and functions in a cohesive manner.

- Ensuring that the Directors receive accurate and clear information about the affairs of the Bank in a timely manner to enable them to take sound decisions.

- Acting as the main link between the Board and the Group Managing Director/Chief Executive Officer as well as advising the Group Managing Director/Chief Executive Officer on the effective discharge of his duties.

- Ensuring that all directors focus on their key responsibilities and play constructive roles in the affairs of the Bank.

- Ensuring that induction programmes are conducted for new directors and continuing education programmes are in place for all directors.

- Ensuring effective communication with the Bank's institutional shareholders and strategic stakeholders.

- Taking a leading role in the assessment, improvement and development of the Board.

- Presiding over General Meetings of shareholders.

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

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

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

- Acts as head of the Management team and is answerable to the Board.

- Responsible for ensuring that a culture of integrity and legal compliance is imbibed by personnel at all levels of the Bank.

- Responsible for the Bank's consistent achievement of its financial objectives and goals.

- Ensures that the Bank's philosophy, vision, mission and values are disseminated and practised throughout the Bank.

- Ensures that the allocation of capital reflects the Bank's risk management philosophy.

- Ensures that the Bank's risks are controlled and managed effectively, optimally and in line with the Bank's strategies and objectives.

- Supervision of the Group Deputy Managing Director, Executive Directors and all subsidiaries and affiliate companies.

- Serves as the Bank's Chief Spokesman and ensures that it is properly presented to its various publics.

- Ensures that the Directors are provided with enough information to support their decision making.

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

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

The Role of the Company Secretary

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

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

Delegation of Authority

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

Board Meetings

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

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

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

The Board met 7 times during the period under review.

The Board devoted considerable time and efforts to the following issues in 2019.

•	Reconstitution of Board Committees.
•	Consideration and approval of 2019 budget.
•	Approval of appointments to subsidiary boards.
•	Monitoring the implementation of 2018-2022 Strategic Plan.
•	Approval of credit facilities.
•	Review and approval of policies
•	Consideration of top management and board appointments.
•	Approval of interim and full year audited financial statement.
•	Review of Board Committee charters/policies.
•	Oversight over the integration of Diamond Bank

Board Meeting Attendance in 2019

The membership of the Board and attendance at meeting in 2019 are set out below.

Type of Meeting	Court-Ordered Meeting	AGM	ANNUAL RETREAT	Board Meetings						
Date	5/3/2019	25/4/2019	July19-20, 2019	25/1/2019	28/1/2019	12/4/2019	26/7/2019	27/9 2019	25/10/2019	16/12 2019
Mosun Belo-Olusoga	A	A	P	A	A	A	P	P	P	P
Anthonia O. Ogunmefun	P	P	P	P	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P	P	P	P	P
Ernest Ndukwe	P	P	P	P	P	P	P	P	P	P

Ajoritsedere Awosika	P	P	P	P	P	P	P	P	P	P
Abba Mamman Tor Habib	P	P	P	P	P	P	P	P	P	P
Iboroma Akpana	P	P	A	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P	P	P	P	P
Herbert Wigwe	P	P	P	P	P	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P	P	P	A	P	P
Victor Etuokwu	P	P	P	P	P	P	P	P	P	P
Titi Osuntoki	P	R	R	P	P	R	R	R	R	R
Gregory Jobome	P	P	P	P	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P	P	P	A	P	P
Adeolu Bajomo	P	P	P	P	P	P	P	P	P	P
Chizoma Okoli	NM	P	P	NM	NM	P	P	P	P	P
Ifeyinwa Okoli	NM	NM	NM	NM	NM	NM	NM	NM	NM	P
Okey Nwuke	NM	NM	NM	NM	NM	NM	NM	NM	NM	P

Board Committees

The Board exercises oversight responsibility through its standing committees, each of which has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board is not a member of any committee. The Board in 2019 had seven standing committees, namely: the Risk Management Committee, the Audit Committee, the Governance and Nomination Committee, the Remuneration Committee, Digital and Information Technology Committee, Credit and Finance Committee and Technical Committee on Retail Expansion.

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

Reports of Board Committees

This section highlights the activities of the Board Committees in 2019.

Board Governance & Nomination Committee

The membership of the Committee and attendance at meetings in 2019 are as set out below.

Name	14/1/ 2019	15/3/ 2019	08/07/ 2019	07/10 /2019	17/10/2019
Paul Usoro	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P
Ajoritsedere Awosika	P	P	A	P	P
Ernest Ndukwe	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P
Herbert Wigwe	P	P	P	P	P

The Committee advises the Board on its oversight responsibilities in relation to all matters on corporate governance, sustainability and nominations affecting the Bank, directors and employees. It is responsible for determining and executing the processes for Board appointments, nominations and removal of non-performing directors.

The key decisions of the Committee in the reporting period included: recommendation of board appointments; review and recommendation of human resources policies to the Board for approval, and consideration of quarterly reports on human resources and sustainability. The Committee met 5 times in 2019 financial year.

Mr. Paul Usoro chaired the Committee.

Board Credit & Finance Committee

The membership of the Committee and directors attendance at meetings in 2019 are as set out below.

Name	14-1-19	13-2-19	26-3-19	15-5-19	14-6-19	8-7-2019	20-8-19	17-9-19	27-9-19	7-10-19	13-11-19	20-12-19
Ajoritsedere Awosika	P	P	P	P	P	A	P	P	P	P	P	SD
Abba M.T Habib	P	P	P	P	P	P	P	P	P	P	P	A
Anthonia Ogunmefun	P	P	P	P	P	P	P	P	P	P	P	P
Ernest Ndukwe	P	P	P	P	P	P	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P	A	P	P	P	P	P
Ifeyinwa Osime	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	P
Okey Nwuke	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	P
Herbert Wigwe	P	P	P	P	P	P	P	P	P	P	P	A
Roosevelt Ogbonna	P	P	P	P	A	P	P	P	A	P	P	P
Victor Etuokwu	P	P	P	P	P	P	P	P	P	P	A	P
Titi Osuntoki	P	P	R	R	R	R	R	R	R	R	R	R
Gregory Jobome	P	P	P	P	P	P	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	A	P	P	P	A	P	P	A
Chizoma Okoli	NM	NM	NM	P	P	P	P	P	P	P	P	P

The Committee considers and approves loan applications above certain limits (as defined by the Board from time to time) which have been recommended by the Management Credit Committee. It also acts as a catalyst for credit policy change and oversees the administration and effectiveness of the Bank's credit policies. The Committee met 12 times in the 2019 financial year.

The Committee's key activities during the period included review and approval of credit facilities; review of the Credit Portfolio and Collateral Adequacy Assessment reports and monitoring the implementation of credit risk management policies; audit report on the credit risk management function, approval of credit portfolio plan.

The Committee was chaired by Dr. (Mrs) Ajoritsedere Awosika until December 2019 when she was succeeded by Mr. Abba Mamman Tor Habib following her appointment as Chairman of the Board.

Board Risk Management Committee

The membership of the Committee and attendance at meetings in 2019 are as set out below.

Name	15-01-19	27-03-19	09-07-19	08-10-19
Anthonia O. Ogunmefun	P	P	P	P
Ernest Ndukwe	P	P	P	SD
Paul Usoro	P	P	P	P
Abba M.T Habib	P	P	P	P

Adeniyi Adekoya	P	P	P	P
Iboroma Akpana	P	P	P	P
Herbert Wigwe	P	P	P	P
Roosevelt Ogbonna	P	P	P	P
Gregory Jobome	P	P	P	P
Adeolu Bajomo	P	P	P	A

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

During the period under review, the Committee considered and recommended some policies to the Board for approval , received risk reports from all the risk areas except credit and made relevant recommendations to the Board for approval

The Committee met 4 times in the 2019 Financial Year.

Mrs. Anthonia Ogunmefun chaired the Committee

Board Audit Committee

The membership of the Committee and attendance at meetings in 2019 are as set out below.

Name	16-01-19	25-01-19	28-03-19	10-07-19	25-07-19	09-10-19
Ernest Ndukwe	P	P	P	P	P	P
Ajoritsedere Awosika	P	P	P	A	P	P
Abba M. T Habib	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P

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

The Bank's Chief Audit Executive and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee. The key issues considered by the Committee during the period included the review and recommendation of the 2018 Group's Audited Financial Statements, 2019 Group's Interim Audited Financial Statements as well as reports of the Group Internal Auditor and Internal Audit Consultants.

The Committee approved the Group Internal Audit Work Plan for 2020 and reviewed the whistleblowing reports. The Committee met six times during the reporting period.

Dr. Ernest Ndukwe chaired the Committee

Board Remuneration Committee

The membership of the Committee and attendance at meetings in 2019 are as set out below.

Name	15-Mar-19	11-Jul-19
Paul Usoro	P	P
Iboroma Akpana	P	P
Ernest Ndukwe	P	SD
Ajoritsedere Awosika	P	A
Anthonia Ogunmefun	P	P

The Committee advises the Board on its oversight responsibilities in relation to remuneration of the Bank's directors and employees. It is responsible for determining and executing the processes for recommending appropriate remuneration for directors and employees. In carrying out its function, the Committee will benchmark the Bank's salary and benefit structure to similar-sized banks. It also advises the Board on employee benefit plans such as pensions, share ownership, other retirement plans and material amendments thereto.

Key issues considered by the Committee included harmonizing the performance management practice and promotion criteria of defunct Diamond Bank with that of Access Bank; review of policies of employees' remuneration and consideration of Annual Remuneration Survey Report.

The Committee met two times in 2019.

Mr. Paul Usoro chaired the Committee.

Board Digital & Information Technology Committee

The membership of the Committee and attendance at meetings in 2019 are as set out below.

Name	17-01-19	26-03-19	09-07-19	10-10-19
Ernest Ndukwe	P	P	P	P
Adeniyi Adekoya	P	P	P	P
Anthonia Ogunmefun	P	P	P	P
Abba M.T. Habib	P	P	P	P
Ajoritsedere Awosika	P	P	A	P
Iboroma Akpana	P	P	P	P
Herbert Wigwe	P	P	P	P
Roosevelt Ogbonna	P	P	P	P
Gregory Jobome	P	P	P	P
Adeolu Bajomo	P	P	P	P

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

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

Dr. Ernest Ndukwe chaired the Committee.

Board Technical Committee on Retail Expansion

The membership of the Committee and attendance at meetings in 2019 are as set out below.

Name	14-03-19	10-09-19	06-12-19
Paul Usoro	P	P	P
Adeniyi Adekoya	P	P	P
Abba M.T Habib	P	P	P
Iboroma Akpana	P	P	P
Herbert Wigwe	P	P	P
Roosevelt Ogbonna	P	P	P
Gregory Jobome	P	P	P
Okey Nwuke	NM	NM	P

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

The key issues considered by the Committee during the period included the review of domestic and international expansion strategies. The Committee continued its oversight over the integration of Diamond Bank following the legal merger and provided the requisite oversight over the acquisition of Transnational Bank Kenya Plc

The Committee met 3 times during the reporting period.

Mr. Paul Usoro chaired the Committee.

Keys

Key	Description
P	Present
A	Absent
R	Resigned
NM	Not Member
SD	Stepped Down Due to Reconstitution

Executive Committee

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

Management Committees

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

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

Statutory Audit Committee

In compliance with Section 359 of the Companies and Allied Matters Act 1990, the Bank constituted a Standing Shareholders Audit Committee made up of three Non-Executive Directors and three shareholders.

The Committee is constituted to ensure its independence, which is fundamental to upholding stakeholders' confidence in the reliability of the Committee's report and the Group's Financial Statements. There is no Executive Director sitting on the Committee. The Chairman of the Committee is an ordinary shareholder, while the shareholders' representatives are independent and answerable to the shareholders. There are two Independent Directors on the Committee and the last Director is independent of the management of the Bank.

The duties of the Committee are as enshrined in Section 359(3) and (4) of CAMA. The Committee is responsible for ensuring that the company's financials comply with applicable financial reporting standards.

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

Henry Omatsola Aragho, FCA

Chairman, Statutory Audit Committee

Mr. Aragho obtained his Higher National Diploma (Accounting) from Federal Polytechnic Auchi in 1981 and a Master's Degree in Business Administration from Ogun State University (1999). He qualified as a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN) in 1985. He was admitted as an Associate Member of Institute of Chartered Accountants of Nigeria in March 1986 and subsequently qualified as a Fellow of the Institute. He joined the Nigerian Ports Authority in 1982 and retired as General Manager Audit in 2005. He is presently the Managing Consultant of Henrose Consulting Limited and Managing Director Henrose Global Resources Limited.

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

Emmanuel Olutoyin Eleoramo
Member, Statutory Audit Committee

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

Idaere Gogo-Ogan

Member, Statutory Audit Committee

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

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

Record of Attendance at Statutory Audit Committee Meetings

Name	25-01-2019	25-07-2019
Henry Omatsola Aragho	p	p
Idaere Gogo-Ogan	p	p
Emmanuel O. Eleoramo	p	p
Ernest Ndukwe	p	p
Mr. Abba M.T Habib	p	p
Ajoritsedere Awosika	p	p

Tenure of the Statutory Audit Committee

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

Role and Focus of the Statutory Audit Committee

The duties of the Statutory Audit Committee are as enshrined in Section 359 (3) and (4) of CAMA. The statutory provisions are supplemented by the provision for the Codes of Corporate Governance issued by the CBN and SEC and are highlighted as follows:

- Ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

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

2019 Audit Fees

The audit fees paid by the Bank to PricewaterhouseCoopers, external auditors for the 2019 statutory audit was ₦603,000,000 (Six hundred and three million Naira). While fees for non-audit services rendered to the Bank during the year amounted to ₦70,500,000 (Seventy Million, Five Hundred thounsand Naira).

Going Concern

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

External Auditors

Messrs PricewaterhouseCoopers (PwC) acted as our external auditors for the 2019 financial year. The Board confirms that the Bank has complied with the regulatory requirement as enshrined in the CBN and SEC Codes of Corporate Governance on the rotation of audit firm and audit partners. PwC was appointed the Bank's sole external auditors from the 2013 Financial year and has held office for seven years.

Succession planning

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

Code of Ethics

The Bank's Code of Conduct specifies expected behaviours for its employees and Directors. The code is designed to empower employees and Directors and enable effective decision making at all levels of the business according to defined ethical principles. New employees are required to read and sign an attestation that they understood the content. In addition, there is an annual re-affirmation exercise for all employees. There is a Compliance Manual that provides guidelines for addressing violations/breaches and ensuring enforcement of discipline amongst staff. The Bank also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head Group Human Resources is responsible for the design and implementation of the "Code of Conduct", while the Chief Conduct and Compliance Officer is responsible for monitoring compliance.

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

Dealing in Company Securities

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

Remuneration Policy

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

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

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

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

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

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

Whistle-Blowing Procedure

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

Telephone

Internal: +234-1-2712065

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

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

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

9MOBILE:
0809-993-6366

GLO:
0705-889-0140

E-Mail

Internal: whistleblower@accessbankplc.com
External: kpmgethicsline@ng.kpmg.com

The Bank's website also provides an avenue for lodging whistle-blower's reports. Individuals interested in whistle-blowing may click on the Customer Service link on the Bank's website, scroll down to the whistle-blower column, and then register, anonymously or otherwise, any allegations they want the Bank to investigate. The Bank's Chief Audit Executive is responsible for monitoring and reporting on whistle-blowing. Quarterly reports are rendered to the Board Audit Committee.

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

Customer Complaints and Resolution

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

Statement of Compliance

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

1. The Code of Corporate Governance for Public Companies in Nigeria as Issued by the Securities and Exchange Commission

2. The Code of Corporate Governance for Bank and Discount Houses in Nigeria and the Guidelines for Whistle Blowing in the Nigerian Banking Industry

3. The Nigerian Stock Exchange Rules for Listing on the Premium Board

4. The Post-Listing Rules of the Nigerian Stock Exchange

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

Mosun Belo-Olusoga
Chairman

Sunday Ekwochi
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2019

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

I. Keep proper accounting records that disclose, with reasonable accuracy, the financial position of the bank and Group and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;

II. Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

III. Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

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

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

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Herbert Wigwe
Group Managing Director
FRC/2013/ICAN/00000001998
10 February, 2020

Roosevelt Ogbonna
Group Deputy Managing Director
FRC/2017/ICAN/00000016638
10 February, 2020

REPORT OF THE STATUTORY AUDIT COMMITTEE

To the members of Access Bank Plc:

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the year ended 31 December 2019 as follows:

We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2019 were satisfactory and reinforce the Group's internal control systems.

We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of N1,949,551,149 (December 2018: N2,010,567,540) was outstanding as at 31 December 2019 which was performing as at 31 December 2019 (see note 45)

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

FRC/2017/ICAN/00000016270
Mr. Henry Omatsola Aragho
Chairman, Audit Committee
7 February 2020

Members of the Audit Committee are:

1	Mr. Henry Omatsola Aragho	Shareholder	Chairman
2	Mr Emmanuel Olutoyin Eleoramo	Shareholder	Member
3	Mr Idaere Gogo Ogan	Shareholder	Member
4	Mr. Abba Mamman Tor Habib	Director	Member
5	Dr. Ernest Ndukwe	Director	Member
6	Dr. (Mrs.) Ajoritsedere Awosika	Director	Member

In attendance:
Sunday Ekwochi – Company Secretary

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CUSTOMER COMPLAINTS AND FEEDBACK

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

Complaints Channels

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

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

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

Resolve or Refer Command Centre

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

Complaints Tracking and Reporting

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

CUSTOMERS' COMPLAINTS REPORT FOR THE YEAR ENDED 31 December 2019

S/N	NAIRA DESCRIPTION	NUMBER 2019	NUMBER 2018	AMOUNT CLAIMED (NAIRA) 2019	AMOUNT CLAIMED (NAIRA) 2018	AMOUNT REFUNDED (NAIRA) 2019	AMOUNT REFUNDED (NAIRA) 2018
1	Pending complaints B/F	9,277	8,553	2,782,204,606	172,509,794	-	-
2	Received Complaints	1,492,080	427,797	453,225,455,706	16,012,779,723	-	-
3	Resolved complaints	1,410,439	427,073	451,894,264,843	13,403,084,911	3,954,787,501	63,351,220
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	90,918	9,277	4,113,395,469	2,782,204,606	-	-

S/N	USD DESCRIPTION	NUMBER 2019	NUMBER 2018	AMOUNT CLAIMED (USD) 2019	AMOUNT CLAIMED (USD) 2018	AMOUNT REFUNDED (USD) 2019	AMOUNT REFUNDED (USD) 2018
1	Pending complaints B/F	39	50	10,801,210	2,424,914	-	-
2	Received Complaints	10143	2,260	2,586,120,957	53,083,605	-	-
3	Resolved complaints	10139	2,271	2,514,408,440	44,707,310	3,239,116	1,040,486
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	43	39	82,513,727	10,801,210	-	-

S/N	GBP DESCRIPTION	NUMBER 2019	NUMBER 2018	AMOUNT CLAIMED (GBP) 2019	AMOUNT CLAIMED (GBP) 2018	AMOUNT REFUNDED (GBP) 2019	AMOUNT REFUNDED (GBP) 2018
1	Pending complaints B/F	2	2	60,308	11,200		-
2	Received Complaints	233	104	10,212,292	572,874	-	-
3	Resolved complaints	230	104	10,154,497	523,766	-	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	5	2	118,104	60,308	-	-

S/N	EUR DESCRIPTION	NUMBER 2019	NUMBER 2018	AMOUNT CLAIMED (EUR) 2019	AMOUNT CLAIMED (EUR) 2018	AMOUNT REFUNDED (EUR) 2019	AMOUNT REFUNDED (EUR) 2018
1	Pending complaints B/F	2	4	14,109	5,000.00	-	-
2	Received Complaints	481	104	5,092,486	1,105,196	-	-
3	Resolved complaints	479	106	5,097,758	1,096,087	-	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	4	2	8,837	14,109	-	-

Solicited Customer Feedback

Deliberate efforts are made to solicit feedback from customers and staff on the services and products of the bank through the following:

- Questionnaires
- Customer interviews
- Customers forum
- Quest for Excellence Sessions (for staff)
- Voice of Customer Surveys

The various feedback efforts are coordinated by our Service and innovation Group

The feedback obtained from customers are reviewed and lessons learnt are used for staff training and service improvement across the bank.

REPORTS TO THE CBN ON FRAUD AND FORGERIES

		December 2019			December 2018		
S/N	**Category**	**Frequency**	**Actual Loss**	**% Loss**	**Frequency**	**Actual Loss**	**% Loss**
1	ATM/Electronic Fraud	5,715	-	0.00%	4,108	385,758,558	80.77%
2	Cash Theft/ Suppression	73	100,443,185	29.96%	15	13,123,214	2.75%
3	Fraudulent Transfer/ Withdrawals	38	122,120,354	36.43%	20	20,024,919	4.19%
4	Fraudulent Loan	-	-	0.00%	1	15,294,264	3.20%
5	Armed Robbery	3	16,276,000	4.86%	4	43,386,000	9.08%
6	Cyber Attack	1	96,363,209	28.75%	-	-	0.00%
7	Clearing	1	-	0.00%	1	-	0.00%
8	Presentation of Forged Instrument	5	-	0.00%	-	-	0.00%
	TOTAL	**5,836**	**335,202,748**	**100%**	**4,149**	**477,586,955**	**100%**

WHISTLEBLOWING REPORT

Commitment to ethical and professional standards

The Board and senior management of Access Bank Plc have continued to set the tone for strong ethical and professional standards in terms of ensuring that shareholders' reputation and financial assets are safeguarded. The Bank has instituted machineries that will support and build organizational trust via the establishment of the whistleblowing policy and reporting channels. This was done to support the detecting and reporting of unethical behaviours within the Group. All stakeholders are expected to comply with the standards described in the policy in the discharge of their duties.

Whistle blowing refers to the practice of reporting wrongdoing or unethical behaviour in an organization. It is primarily for reporting of concerns where the interest of the Bank or its stakeholders is at stake. In addition, it reinforces the value the bank places on staff to be honest and respected members of their individual professions. To support the reporting of unethical behaviours within the Group, a whistleblowing policy was developed.

Objectives of the Policy

The objectives of this policy are:

- To support our corporate philosophy.
- To comply with the Central Bank of Nigeria Guidelines for Whistle-Blowing For Banks and Other Financial Institution in Nigeria.
- To encourage employees to confidently raise concerns about unethical violation of the bank's policies and breach of professional codes of conduct.
- To reassure the whistle blower of protection from possible reprisals or victimization if a disclosure has been made in good faith.
- To provide a transparent process for dealing with concerns.
- To regularly communicate to members of staff the avenues open to them to report concerns.

- To encourage employees and other stakeholders to identify and challenge all improper, unethical or inappropriate behavior at all levels of the organization.
- To provide clear procedures for reporting and handling such concern(s).
- Proactively prevent and deter misconduct that could damage the Bank's reputation.

Channels for Reporting

Access Bank outsourced its complaint mechanism of the whistle blowing program to KPMG Professionals so as to assure employees and other stakeholders of confidentiality and protection. This helps promote and develop a culture of openness, accountability and integrity. The policy is therefore fundamental to the Bank's professional integrity and corporate governance practice.

Following the merger between Access Bank and defunct Diamond Bank in 2019, the Bank proactively engaged the services of a professional auditing firm to reassure management of our commitment to professionalism and excellence in our standards. After the audit exercise by PricewaterhouseCoopers in September 2019, the Bank was rated satisfactory against the Central Bank of Nigeria (CBN) Guidelines on Whistleblowing for banks and other financial institutions in Nigeria.

The Bank does not subject a whistleblower to any detriment whatsoever on the grounds that she/he has made a disclosure in accordance with the provisions of the CBN guidelines for whistle blowing even when it is untrue but in good faith.

An internal whistleblowing concern may be raised through the following:

- Formal letter to the Group Managing Director, Access Bank Plc or the Head, Internal Audit, Access Bank Plc.
- Call to dedicated phone numbers; 01-2712065 or IP 4160
- Dedicated email address – whistleblower@accessbankplc.com
- Via Access Bank website – www.accessbankplc.com

The Internal Whistle Blowing Hotline is available during working hours on work days only. However, the email channel will always be available and the information provided by the whistle blower kept confidential.

For external whistleblowing concern, the following KPMG channels are available

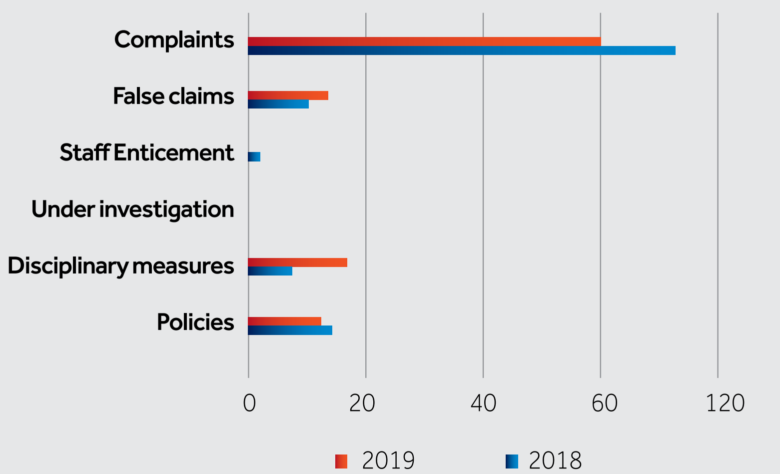
- Through the KPMG Ethics Line
  E-mail: kpmgethicsline@ng.kpmg.com
- Toll free numbers for calls from MTN numbers only:
  0703-000-0026; 0703-000-0027
- Toll free number for calls from Airtel numbers only:

  0708 060 1222; 0808-822-8888
- Toll free number for calls from 9 Mobile numbers only:
  0809 993 6366
- Toll free number for calls from GLO numbers only:
  0705 889 0140

Protection for Whistleblower

Any staff, consultant, director or member of the public who report an irregularity provided that this is done in good faith and in compliance with the provisions of the policy, shall be protected against any act of retaliation. The Bank shall not subject the whistle-blower to any detriment whatsoever on the grounds that he/she has made a disclosure in accordance with the provisions of the CBN Guidelines for whistle blowing even when it is untrue.

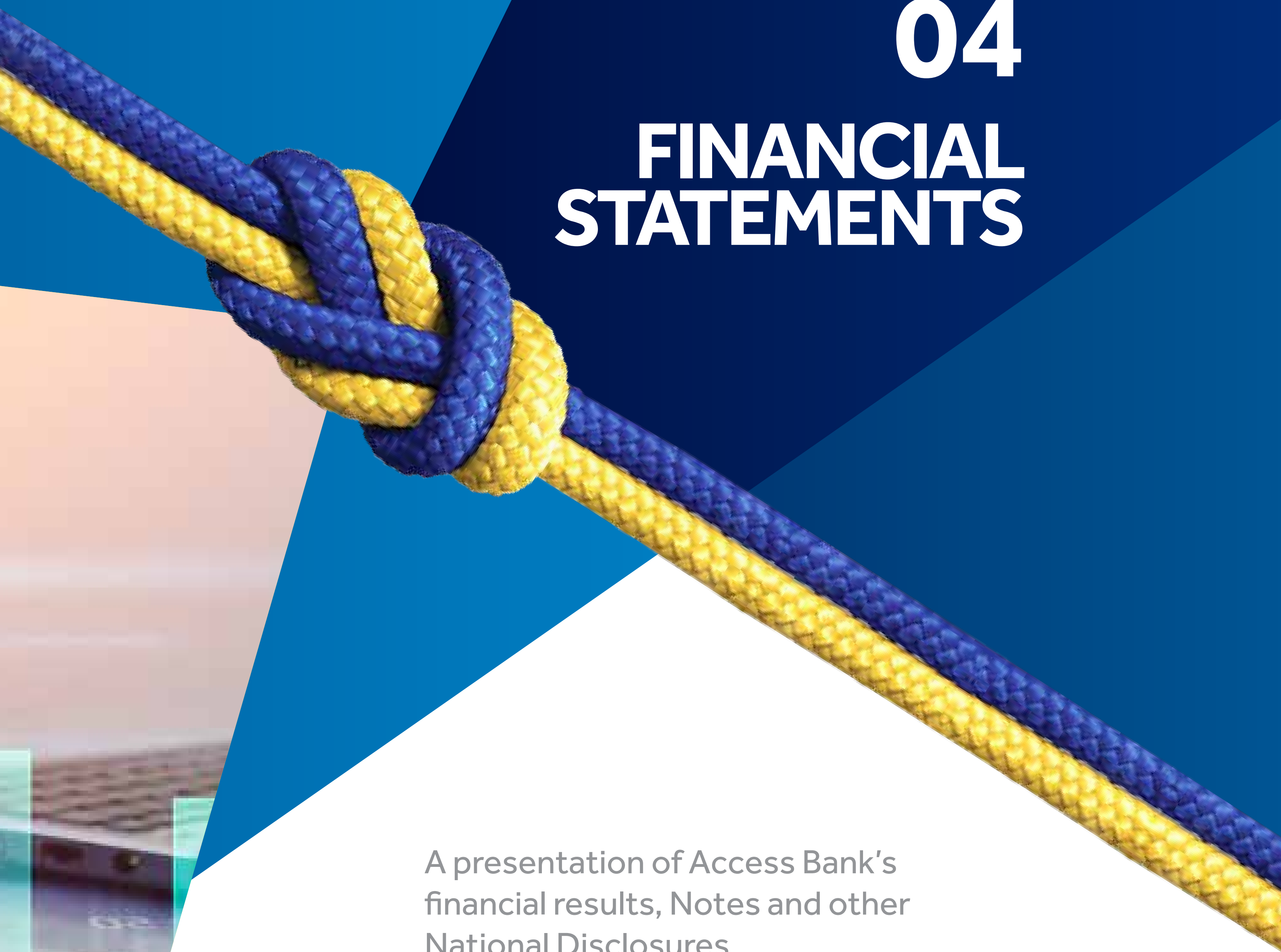
Two-Year Analysis of Whistleblowing Cases



Regulatory Channels which can also be explored by the whistle blower are as stated below

Regular	Address
Central Bank of Nigeria	Central Business District, Garki, Abuja, Nigeria Phone +234(0) 946237401 Email: anticorruption-unit@cbn.gov.ng
Nigeria Deposit Insurance Corporation (NDIC)	Plot 447/448 Constitution Av. Central Business District, Garki, Abuja Phone: +234(0) 94601380-9, 96171380-9 Email:info@ndic.org.ng, helpdesk@ndic.org.ng
Securities and Exchange Commission (SEC)	SEC Towers, Plot 272, Samuel Adesujo Ademulegun St, Central Business District, Garki, Abuja Phone: +234(0) 94621159 Email: sec@sec.gov.ng
Nigeria Stock Exchange (NSE)	Stock Exchange House, 2/4 Custom St. Marina, Lagos Phone: +234(0) 14489373, 817243061, 81206463 Email: x-whistle@nse.com.ng
National Pension Commission	174 Adetokunbo Ademola Crescent, Wuse 2, Abuja, Nigeria Phone: 0700-CALLPENCOM (0700-225-573-6266),+23494603930 Email: info@pencom.gov.ng

04
FINANCIAL STATEMENTS



A presentation of Access Bank's financial results, Notes and other National Disclosures

INDEPENDENT AUDITOR'S REPORT

To the Members of Access Bank Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Access Bank Plc ("the bank") and its subsidiaries (together "the group") as at 31 December 2019, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

What we have audited

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

- the consolidated and separate statements of comprehensive income for the year ended 31 December 2019;
- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Accounting for business combination (refer to notes 3.3b and 44)	
The Group acquired 100% of the share capital of Diamond Bank Plc on 19 March 2019 for a purchase consideration of N 62.5 billion resulting in a provisional goodwill of N 50.6 billion. We have determined this to be a key audit matter based on the materiality of the acquisition and the significance of the transaction to the Group	We performed the following procedures in response to the key audit matter identified: • reviewed the scheme of merger between Access Bank Plc and Diamond Bank Plc to obtain an understanding of the transaction;

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

This transaction falls within the scope of IFRS 3 Business Combinations which requires significant judgement in determining the acquisition date and fair value of the identifiable net assets acquired which are inherently judgemental. The directors have not concluded the Purchase Price Allocation (PPA) for the acquisition and have elected to record the acquisition related entries as provisional as at 31 December 2019 as permitted under IFRS 3. The directors' intend to conclude this and present the results in the interim 30 June 2020 financial statements. This is considered a key audit matter in the consolidated and separate financial statements.	• evaluated the reasonableness of the directors' determination of the acquisition date by comparing to the date the transaction was sanctioned by the Courts; • checked the reasonableness of the directors' determination of the fair value of purchase consideration; • assessed the reasonableness of the Diamond Bank Plc closing balances as at the date of acquisition by comparing with the audited financial statements as of the same date; and • reviewed the disclosures in the financial statements.
Impairment on loans and advances to customers – N191.4 billion (refer to notes 3.9, 4.0 and 23)	
We focused on this area because the directors exercise significant judgement, using subjective assumptions when determining both the timing and the amounts to recognise as impairment. The IFRS 9 'Financial Instruments' impairment methodology requires significant judgement in measuring expected credit loss (ECL). Areas where significant judgement was exercised includes: • the definition of default adopted by the bank; • determining the criteria for assessing significant increase in credit risk (SICR); • determination of the key inputs used in determining the lifetime exposure at default (EAD); • methodologies adopted by the bank in modelling the 12 month and lifetime probability of default (PD) used in the ECL model; • estimation of Loss Given Default (LGD) by considering collateral values and the haircut adjustment as well as estimation of recoveries on unsecured exposures; and • incorporating forward looking information and the determination of multiple economic scenarios used in the ECL model. This is considered a key audit matter in the consolidated and separate financial statements.	We adopted a substantive approach in assessing the allowance for impairment made by the directors. We performed the following procedures: • checked that the Group applied a default definition that is consistent with IFRS 9 qualitative default criteria and days past due backstop indicator; • evaluated the reasonableness of the Group's determination of significant increase in credit risk by checking that a lifetime ECL is recognised when credit risk has increased significantly (Stage 2), a lifetime ECL is recognised on impaired facilities (Stage 3) and a 12-month ECL (Stage 1) is recognised for facilities in Stage 1; • applied a risk-based target testing approach in selecting a sample of credit facilities for detailed reviews of related customer files and account statements. We did this to identify quantitative and qualitative factors resulting in SICR or default per the directors' definition; • reviewed the appropriateness of the exposure at default by checking whether relevant facility specific information have been incorporated in determining the EAD term structure. We performed independent calculation for a select sample set to assess reasonableness of the EAD estimates; • reviewed the reasonableness of the methodology used in modelling PD to assess for consistency with acceptable modelling techniques and also testing the historical data inputs into the model for accuracy and completeness; • evaluated the reasonableness of the Loss Given Default (LGD) by reviewing cash recoveries, collateral values along with assumptions on haircut and recovery rates; and • evaluated that the Group factored business cycle dependencies into ECL estimates by incorporating forward-looking information into the ECL parameters and checked the reasonableness of forward-looking information and multiple economic scenarios considered. We also checked the reasonableness of the scenario probability weight by performing independent computation and benchmarking scenario weights. We reviewed the IFRS 9 disclosures for reasonableness.

Valuation of equity securities at fair value through profit or loss – N 113.2 billion (refer to notes 3.9, 4.1 and 25)	
We focused on this area because of the significant judgements involved and the higher risk of material misstatement in estimating the fair value of these instruments. The most judgemental aspect of equity securities at fair value through profit or loss relate to the valuation of level 3 financial instruments (N 111.6 billion - refer to note 4.1.1), which we consider to be a key audit matter. The following risks could lead to inaccurate fair values of level 3 equity securities at fair value through profit or loss: • The Group uses a number of model types to value its level 3 financial instruments. Model deficiencies or inaccurate model parameters could lead to material misstatements of the financial statements; and • Whilst some of the model inputs used for determining fair values are observable, there are unobservable inputs (such as illiquidity discount rate and hair cut) which could lead to valuation variances. The directors employ the services of an external consultant for these valuations. This is considered a key audit matter in the consolidated and separate financial statements.	We performed the following procedures: • assessed the competence, independence and objectivity of the directors' external consultant; • checked that the valuation techniques used to determine the fair values of level 3 equity securities were consistent with the market approach prescribed by the applicable standard. • checked the inputs to the valuation and evaluated the principal assumptions of illiquidity discount rate and haircut by comparing them to independent sources for reasonableness; and • evaluated the appropriateness of the classification and measurement basis of these investments. • reviewed the disclosures for compliance with the relevant standards.

Other information

The directors are responsible for the other information. The other information comprises Corporate information, Directors' report, Customer complaints and Feedback, Corporate Governance Report, Statement of Directors' responsibilities, Report of the Statutory Audit Committee, Risk management framework, Value added Statement, Five-year financial summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Access Bank Plc 2019 Annual Report, which are expected to be made available to us after that date.

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

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

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

When we read the other sections of the Access Bank Plc 2019 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

iii) the bank's statement of financial position and statement of comprehensive income are in agreement with the books of account;

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

v) as disclosed in Note 41 to the consolidated and separate financial statements, the bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2019.

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
Engagement Partner: **Tola Ogundipe**
FRC/2013/ICAN/00000000639

6 March 2020

FINANCIAL STATEMENTS AND NOTES TO THE ACCOUNTS

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

for the year ended

In thousands of Naira	Notes	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Interest income on financial assets not at FVTPL	8	**453,550,213**	360,307,616	**391,459,009**	293,590,764
Interest income on financial assets at FVTPL	8	**83,296,576**	20,607,306	**80,009,759**	19,483,392
Interest expense	8	**(259,617,791)**	(207,336,761)	**(238,708,397)**	(184,857,410)
Net interest income		**277,228,998**	173,578,161	**232,760,371**	128,216,746
Net impairment charge	9	**(20,189,393)**	(14,656,723)	**(21,055,479)**	(10,702,144)
Net interest income after impairment charges		**257,039,605**	158,921,438	**211,704,892**	117,514,602
Fee and commission income	10 (a)	**91,845,403**	62,095,546	**75,365,238**	47,584,441
Fee and commission expense	10 (b)	**(17,798,050)**	(9,600,893)	**(17,115,894)**	(9,094,470)
Net fee and commission income		**74,047,353**	52,494,653	**58,249,344**	38,489,971
Net gains on investment securities	11a,b	**66,102,274**	96,324,350	**64,711,601**	95,286,231
Net foreign exchange loss	12	**(83,876,395)**	(23,768,927)	**(93,038,918)**	(31,213,857)
Other operating income	13	**55,835,529**	13,178,688	**53,553,485**	11,012,065
Profit on disposal of subsidiaries	48 (b)	**-**	-	**4,287,666**	-
Personnel expenses	14	**(76,964,138)**	(57,144,039)	**(60,712,847)**	(40,425,816)
Rent expenses		**-**	(4,334,491)	**-**	(1,983,096)
Depreciation	28	**(21,232,914)**	(13,535,345)	**(17,113,619)**	(11,383,886)
Amortization and impairment	29	**(4,474,622)**	(2,799,133)	**(3,988,055)**	(2,327,510)
Other operating expenses	15	**(151,098,113)**	(116,149,491)	**(134,986,773)**	(99,720,558)
Profit before tax		**115,378,579**	**103,187,703**	**82,666,776**	**75,248,146**
Income tax	16	**(17,868,920)**	(8,206,617)	**(9,097,722)**	(1,651,851)
Profit for the year		**97,509,659**	**94,981,086**	**73,569,054**	**73,596,295**
Other comprehensive income (OCI) net of income tax :					
items that will not be subsequently reclassified to income statement:					
Remeasurements of post-employment benefit obligations		**(621,039)**	338,661	**(621,039)**	338,661
Items that may be subsequently reclassified to the income statement:					
Foreign currency translation differences for foreign subsidiaries:					
- Unrealised losses during the year		**(4,155,945)**	(11,226,803)	**-**	-
Net changes in fair value of financial instruments		**6,586,645**	(5,659,791)	**7,436,899**	(5,794,964)
Other comprehensive gain/(loss), net of related tax effects		**1,809,661**	(16,547,933)	**6,815,860**	(5,456,303)
Total comprehensive income for the year		**99,319,320**	**78,433,153**	**80,384,914**	**68,139,992**
Profit attributable to:					
Owners of the bank		**96,501,925**	94,018,241	**73,569,054**	73,596,295
Non-controlling interest	38	**1,007,734**	962,845	**-**	-
Profit for the year		**97,509,659**	**94,981,086**	**73,569,054**	**73,596,295**
Total comprehensive income attributable to:					
Owners of the bank		**98,660,849**	77,470,308	**80,384,914**	68,139,992
Non-controlling interest	38	**658,472**	962,845	**-**	-
Total comprehensive income for the year		**99,319,320**	78,433,153	**80,384,914**	68,139,992
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	**290**	331	**217**	254
Diluted (kobo)	17	**285**	325	**217**	254

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

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

In thousands of Naira	Notes	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Assets					
Cash and balances with banks	18	**723,064,003**	740,926,362	**575,906,273**	338,289,912
Investment under management	19	**28,291,959**	23,839,394	**28,291,959**	23,839,394
Non pledged trading assets	20	**129,819,239**	38,817,147	**76,971,761**	36,581,058
Derivative financial assets	21	**143,520,553**	128,440,342	**143,480,073**	128,133,789
Loans and advances to banks	22	**152,825,081**	142,489,543	**164,413,001**	100,993,116
Loans and advances to customers	23	**2,911,579,708**	1,993,606,233	**2,481,623,671**	1,681,761,862
Pledged assets	24	**605,555,891**	554,052,956	**605,555,891**	554,052,956
Investment securities	25	**1,084,604,185**	501,072,480	**813,706,953**	258,580,286
Investment properties	31a	**927,000**	-	**727,000**	-
Restricted deposit and other assets	26	**1,055,510,452**	704,326,780	**1,004,310,286**	625,813,176
Investment in subsidiaries	27b	**-**	-	**131,458,709**	111,203,496
Property and equipment	28	**211,214,238**	103,668,719	**188,634,458**	88,392,543
Intangible assets	29	**65,932,754**	9,752,498	**71,003,729**	8,231,197
Deferred tax assets	30	**8,807,563**	922,660	**-**	-
		7,121,652,626	4,941,915,114	**6,286,083,763**	3,955,872,785
Asset classified as held for sale	31b	**24,957,519**	12,241,824	**24,957,518**	12,241,824
Total assets		**7,146,610,145**	**4,954,156,938**	**6,311,041,282**	**3,968,114,609**
Liabilities					
Deposits from financial institutions	32	**1,186,356,312**	994,572,845	**1,079,284,414**	616,644,611
Deposits from customers	33	**4,255,837,303**	2,564,908,384	**3,668,339,811**	2,058,738,930
Derivative financial liabilities	21	**6,885,680**	5,206,001	**6,827,293**	5,185,870
Current tax liabilities	16	**3,531,410**	4,057,862	**1,409,436**	2,939,801
Other liabilities	34	**324,333,873**	246,438,951	**302,261,951**	222,046,143
Deferred tax liabilities	30	**11,272,928**	6,456,840	**4,507,110**	4,505,966
Debt securities issued	35	**157,987,877**	251,251,383	**157,987,877**	251,251,383
Interest-bearing borrowings	36	**586,602,830**	388,416,734	**544,064,226**	363,682,441
Retirement benefit obligation	37	**3,609,037**	2,336,183	**3,418,060**	2,319,707
Total liabilities		**6,536,417,250**	**4,463,645,183**	**5,768,100,178**	**3,527,314,852**
Equity					
Share capital and share premium	38	**251,811,463**	212,438,802	**251,811,463**	212,438,802
Retained earnings		**225,118,811**	155,592,892	**192,378,619**	148,238,575
Other components of equity	38	**124,733,788**	114,609,701	**98,751,022**	80,122,380
Total equity attributable to owners of the Bank		**601,664,062**	**482,641,395**	**542,941,104**	**440,799,757**
Non controlling interest	38	**8,528,833**	7,870,360	**-**	-
Total equity		**610,192,895**	**490,511,755**	**542,941,104**	**440,799,757**
Total liabilities and equity		**7,146,610,145**	**4,954,156,938**	**6,311,041,282**	**3,968,114,609**

Signed on behalf of the Board of Directors on 10 February, 2020 by:

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

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

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

Consolidated and Separate Statement of Changes in Equity

In thousands of Naira **Group**	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Con-trolling interest	Total Equity
	Attributable to owners of the Bank												
Balance at 1 January 2019	**14,463,986**	**197,974,816**	**19,942,296**	**82,889,946**	**1,725,385**	**(3,401,302)**	**3,489,080**	**(5,622,402)**	**15,586,697**	**155,592,893**	**482,641,395**	**7,870,360**	**490,511,755**
Total comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	96,501,925	96,501,925	1,007,734	97,509,659
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	(3,806,684)	-	(3,806,684)	(349,261)	(4,155,945)
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	(621,039)	(621,039)	-	(621,039)
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	6,586,645	-	-	6,586,645	-	6,586,645
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-		-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**		**-**	**-**	**6,586,645**	**(3,806,684)**	**(621,039)**	**2,158,922**	**(349,261)**	**1,809,661**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,586,645**	**(3,806,684)**	**95,880,886**	**98,660,847**	**658,473**	**99,319,320**
Transactions with equity holders, recorded directly in equity:													
Transfers during the year	-	-	(1,850,355)	10,432,708	-	-	-	-	-	(8,582,353)	-		-
Transfers under the scheme of merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares issued under scheme of merger	3,308,627	36,064,034		-	-	-	-	-	-	-	39,372,661	-	39,372,661
Additional shares	-	-	-	-	107,000	(2,330,544)	-	-	-	-	(2,223,544)	-	(2,223,544)
Scheme shares	-	-		-	985,315		-	-	-	-	985,315	-	985,315
Vested shares	-	-	-	-	(935,932)	935,932	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(17,772,613)	(17,772,613)	-	(17,772,613)
Total contributions by and distributions to equity holders	**3,308,627**	**36,064,034**	**(1,850,355)**	**10,432,708**	**156,383**	**(1,394,612)**	**-**	**-**	**-**	**(26,354,966)**	**20,361,819**	**-**	**20,361,819**
Balance at 31 December 2019	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,913)**	**3,489,080**	**964,243**	**11,780,013**	**225,118,812**	**601,664,061**	**8,528,833**	**610,192,895**

Statement of Changes in Equity

In thousands of Naira

Group	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January 2018	**14,463,986**	**197,974,816**	**43,420,287**	**70,562,156**	**2,031,977**	**(4,028,909)**	**3,489,080**	**36,111,322**	**26,813,500**	**113,449,307**	**504,287,522**	**6,907,515**	**511,195,037**
Changes on initial application of IFRS 9	-	-	-	-	-	-	-		-	(80,634,271)	(80,634,271)	-	(80,634,271)
Transfers	-	-	(35,058,266)	-	-	-	-	(36,073,933)	-	71,132,199	-	-	-
Restated balance at 1 January 2018	**14,463,986**	**197,974,816**	**8,362,021**	**70,562,156**	**2,031,977**	**(4,028,909)**	**3,489,080**	**37,389**	**26,813,500**	**103,947,235**	**423,653,251**	**6,907,515**	**430,560,766**
Total comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	94,018,241	94,018,241	962,845	94,981,086
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-		(11,226,803)	-	(11,226,803)		(11,226,803)
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	338,661	338,661	-	338,661
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(5,659,791)	-	-	(5,659,791)	-	(5,659,791)
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-		-	-		-	
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,659,791)**	**(11,226,803)**	**338,661**	**(16,547,933)**	**-**	**(16,547,933)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,659,791)**	**(11,226,803)**	**94,356,902**	**77,470,308**	**962,845**	**78,433,153**
Transactions with equity holders, recorded directly in equity:													
Transfers during the year	-	-	11,580,275	12,327,790	-	-	-	-		(23,908,065)	-	-	-
Scheme shares	-	-		-	836,160	(515,144)	-	-		-	321,016	-	321,016
Vested shares	-	-	-	-	(1,142,752)	1,142,752	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(18,803,180)	(18,803,180)	-	(18,803,180)
Total contributions by and distributions to equity holders	**-**	**-**	**11,580,275**	**12,327,790**	**(306,592)**	**627,608**	**-**	**-**	**-**	**(42,711,245)**	**(18,482,164)**	**-**	**(18,482,164)**
Balance at 31 December 2018	**14,463,986**	**197,974,816**	**19,942,296**	**82,889,946**	**1,725,385**	**(3,401,301)**	**3,489,080**	**(5,622,402)**	**15,586,697**	**155,592,893**	**482,641,395**	**7,870,360**	**490,511,755**

STATEMENT OF CHANGES IN EQUITY

In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserve	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2019	**14,463,986**	**197,974,816**	**9,483,000**	**72,026,340**	**1,725,385**	**3,489,081**	**(6,601,426)**	**148,238,575**	**440,799,757**
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	73,569,054	73,569,054
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	(621,039)	(621,039)
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	7,436,898	-	7,436,898
Net changes in allowance on FVOCI financial instruments				-				-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**7,436,898**	**(621,039)**	**6,815,859**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**7,436,898**	**72,948,015**	**80,384,913**
Transactions with equity holders, recorded directly in equity:									
Transfers for the year	-	-	-	11,035,359	-	-	-	(11,035,359)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(17,772,613)	(17,772,613)
Shares issued under scheme of merger	3,308,627	36,064,034	-	-	-	-	-	-	39,372,661
Additional shares	-	-	-	-	106,999	-	-	-	106,999
Scheme shares	-	-	-	-	985,315	-	-	-	985,315
Vested shares	-	-	-	-	(935,932)	-	-	-	(935,932)
Total contributions by and distributions to equity holders	**3,308,627**	**36,064,034**	**-**	**11,035,359**	**156,382**	**-**	**-**	**(28,807,972)**	**21,756,430**
Balance at 31 December 2019	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**1,881,767**	**3,489,081**	**835,472**	**192,378,618**	**542,941,100**

STATEMENT OF CHANGES IN EQUITY

In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2018	**14,463,986**	**197,974,816**	**35,058,266**	**60,986,896**	**2,031,978**	**3,489,081**	**35,267,471**	**115,966,230**	**465,238,724**
Changes on initial application of IFRS 9	-	-	-	-	-	-		(73,469,186)	(73,469,186)
Transfers	-	-	(35,058,266)	-	-	-	(36,073,933)	71,132,199	-
Restated balance at 1 January 2018	**14,463,986**	**197,974,816**	**-**	**60,986,896**	**2,031,978**	**3,489,081**	**(806,462)**	**113,629,243**	**391,769,538**
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	73,596,295	73,596,295
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	338,661	338,661
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(5,794,964)	-	(5,794,964)
Net changes in allowance on FVOCI financial instruments									
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(5,794,964)**	**338,661**	**(5,456,303)**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**(5,794,964)**	**73,934,956**	**68,139,992**
Transactions with equity holders, recorded directly in equity:									
Transfers for the year	-	-	9,483,000	11,039,444		-	-	(20,522,444)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(18,803,180)	(18,803,180)
Scheme shares	-	-	-	-	836,160	-	-	-	836,160
Vested shares	-	-	-	-	(1,142,753)	-	-	-	(1,142,753)
Total contributions by and distributions to equity holders	**-**	**-**	**9,483,000**	**11,039,444**	**(306,593)**	**-**	**-**	**(39,325,624)**	**(19,109,773)**
Balance at 31 December 2018	**14,463,986**	**197,974,816**	**9,483,000**	**72,026,340**	**1,725,385**	**3,489,081**	**(6,601,426)**	**148,238,575**	**440,799,757**

Consolidated Statement of Cash Flows

In thousands of Naira	Note	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Cash flows from operating activities					
Profit before income tax		**115,378,579**	103,187,703	**82,666,776**	75,248,146
Adjustments for:					
Depreciation	28	**21,232,914**	13,535,345	**17,113,619**	11,383,886
Amortization	29	**4,474,622**	2,799,133	**3,988,055**	2,325,311
Fair value gain on investment property	13	**(25,000)**	-	**-**	-
Gain on disposal of property and equipment	13	**(594,872)**	(81,797)	**(183,049)**	(237,210)
Loss on lease modification		**63,329**	-	**63,329**	-
Profit on disposal of investment securities		**(2,265,686)**	-	**(2,265,686)**	-
Impairment on financial assets	9	**20,164,358**	14,656,724	**21,055,479**	10,702,144
Additional gratuity provision		**774,562**	624,711	**600,060**	621,593
Profit on disposal of subsidiaries		**-**	-	**(4,287,666)**	-
Restricted share performance plan expense		**1,092,314**	836,160	**985,315**	836,160
Property and equipment written off	28	**167,405**	-	**103,516**	-
Fair value loss on financial assets at FVPL		**(11,237,409)**	(35,706,212)	**(11,237,409)**	(35,706,212)
Net interest income	8	**(278,116,647)**	(173,578,161)	**(232,760,371)**	(128,216,746)
Unrealised foreign exchange loss on revaluation	12	**19,053,227**	39,496,189	**17,029,703**	37,472,664
(Loss)/Profit on disposal of asset held for sale		**198,850**	-	**198,850**	-
Loss/(Profit) on disposal of of investment in subidiaries and associates		**-**	-	**-**	(430,019)
Loss on disposal of Investment property		**153,946**	-	**153,946**	-
Dividend income	13	**(2,576,171)**	(2,729,525)	**(3,151,485)**	(2,747,925)
		(112,061,679)	(36,959,732)	**(109,927,018)**	(28,748,209)
Changes in operating assets					
Non-pledged trading assets		**(71,289,759)**	7,770,674	**(20,678,371)**	6,169,695
Fair value of derivative financial instruments		**(13,082,716)**	(35,147,225)	**(13,387,046)**	(35,864,150)
Pledged assets		**476,528,234**	76,688,020	**476,452,942**	70,076,943
Restricted deposits		**(44,514,019)**	(181,515,384)	**(5,813,506)**	(164,959,177)
Loans and advances to banks and customers		**(282,895,899)**	(170,356,871)	**(237,771,116)**	12,273,604
Other assets		**(62,624,567)**	(41,277,822)	**(81,739,297)**	(37,615,847)
Changes in operating liabilities					
Deposits from financial institutions		**129,334,795**	535,994,500	**409,815,330**	332,514,925
Deposits from customers		**653,011,639**	313,228,097	**570,748,593**	140,102,442
Other liabilities		**18,523,510**	(13,618,740)	**12,356,179**	(22,852,957)
Interest paid on deposits to banks and customers		**(226,142,999)**	(149,031,157)	**(211,969,418)**	(126,741,012)
Interest received on loans and advances and non-pledged trading assets		**247,082,946**	261,809,814	**232,654,477**	228,693,792
Interest received on non-pledged trading assets		**84,395,835**	-	**81,109,018**	-
Payment to gratuity benefit holders		**(415,000)**	-	**(415,000)**	-
Lease payments		**(1,556,558)**	-	**(1,184,674)**	-
		794,293,763	567,284,175	**1,100,251,093**	372,750,051
Income tax paid		**(14,686,580)**	(14,961,654)	**(5,677,827)**	(6,747,660)
Net cash generated from/(used in) operating activities		**779,607,182**	**552,322,520**	**1,094,573,265**	**366,002,390**

	Note				
Cash flows from investing activities					
Acquisition of investment securities		**(6,043,119,994)**	(1,555,681,602)	**(6,014,899,148)**	(1,459,070,853)
Interest received on investment securities		**89,682,585**	102,907,875	**70,648,399**	65,395,705
Investment under management		**(1,362,890)**	(785,965)	**(1,362,890)**	(785,965)
Dividend received	13	**2,576,171**	2,729,525	**3,151,485**	2,747,925
Acquisition of property and equipment	28	**(37,505,576)**	(19,011,517)	**(32,259,378)**	(16,658,515)
Proceeds from the sale of property and equipment and intangible assets		**994,122**	348,743	**661,290**	796,018
Acquisition of intangible assets	29	**(7,792,913)**	(5,097,415)	**(7,270,576)**	(4,574,605)
Proceeds from disposal of asset held for sale		**1,746,150**	-	**1,746,150**	-
Proceeds from sale of investment properties		**200,000**	-	**200,000**	-
Capital expenditure on investment property		**(2,435)**	-	**(2,435)**	-
Proceeds from matured/disposed investment securities		**449,279,227**	106,791,789	**449,279,227**	83,366,456
Proceeds from sale of investment securities		**5,212,067,179**	1,250,484,663	**5,212,067,179**	1,271,178,639
Additional investment in subsidiaries		**-**	-	**(17,582,261)**	(24,087,345)
Proceeds from disposal of subsidiary		**10,619,124**	-	**12,263,926**	-
Net cash acquired from business combinations		**30,262,457**	-	**30,258,805**	-
Net cash generated from investing activities		**(292,356,792)**	**(117,313,903)**	**(293,100,226)**	**(81,240,117)**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		**(44,940,125)**	(47,130,258)	**(43,712,811)**	(42,209,504)
Net proceeds from interest bearing borrowings		**103,231,346**	72,857,911	**85,539,189**	76,046,143
Net proceeds of debt securities issued	35	**(216,208,000)**	(118,691,111)	**(216,208,000)**	(118,691,111)
Purchase of own shares		**(2,330,544)**	(515,144)	**(1,501,886)**	-
Dividends paid to owners		**(17,772,613)**	(18,803,180)	**(17,772,613)**	(18,803,180)
Debt securities issued	35	**45,000,000**	51,289,056	**45,000,000**	51,289,056
Net cash (used in)/generated from financing activities		**(133,019,936)**	**(60,992,726)**	**(148,656,121)**	**(52,368,596)**
Net increase/(decrease) in cash and cash equivalents		**354,230,452**	374,015,889	**652,816,916**	232,393,674
Cash and cash equivalents at beginning of year	40	**864,564,911**	493,424,299	**424,360,569**	198,811,517
Net increase/ (decrease) in cash and cash equivalents		**354,230,452**	374,015,890	**652,816,916**	232,393,679
Effect of exchange rate fluctuations on cash held		**7,235,657**	(2,875,278)	**2,827,789**	(6,844,628)
Cash and cash equivalents at end of year	40	**1,226,031,019**	864,564,912	**1,080,005,274**	424,360,569

NOTES

1.0 General information

Access Bank Plc ("the Bank") is a bank domiciled in Nigeria. The address of the Bank's registered office is No 14/15, Prince Alaba Oniru Road, Oniru, Lagos (formerly Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos). The consolidated and separate financial statements of the Bank for the year ended 31 December 2019 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking. The Bank is listed on the Nigerian Stock Exchange.

These financial statements were approved and authorised for issue by the Board of Directors on 10 February 2020. The directors have the power to amend and reissue the financial statements.

2.0 Statement of compliance with International Financial Reporting Standards

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

3.0 Basis of preparation

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

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

3.1 Summary of significant accounting policies

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

(a) Functional and presentation currency

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

(b) Basis of measurement

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

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

(c) Use of estimates and judgments

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

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

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

3.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The Bank has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2019:

- **IFRS 16 Leases**

The Bank had to change its accounting policies as a result of adopting IFRS 16. The Bank elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in note 28b

Leases - Accounting policy from 1 January 2019:

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 (ii) below. The lease year ranges from 1 year to 40 years. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

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

From 1 January 2019, 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 year in which the event or condition that triggers the payment occurs.

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

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

Right of use assets

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

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

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

Short-term leases and leases of low value

The Bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. low value assets). Low-value assets are assets with lease amount of less than $5,000 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.

- **Critical judgements**

Extension and termination options - Determining the lease term

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

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

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

As at 1 January 2019, potential future cash outflows of N31 million (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of N6.65 billion.

Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 Leases on the Bank's financial statements.

The Bank has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting year, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 28b.

On adoption of IFRS 16, the Bank recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Bank's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 15.58%.

Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics

The Bank has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

Impact on the financial statements

The following table summarises the impact of transition to IFRS 16 on the statement of financial position as at 1 January 2019 for each affected individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

	As at 31 December 2018	Impact of IFRS 16		As at 1 Jan 2019
		Reclassification	Remeasurement	
	N'000	N'000	N'000	N'000
Assets				
Right-of-use assets	-	3,396,640	2,312,629	5,709,269
Prepayment	65,189,797	(3,396,640)	-	61,793,157
	65,189,797	**-**	**2,312,629**	**67,502,426**
Liabilities				
Non-current				
Lease liabilities	-	-	2,290,416	2,290,416
Current				
Lease liabilities	-	-	22,213	22,213
	-	**-**	**22,213**	**22,213**

The adoption of IFRS 16 had a nil impact on retained earnings as at 1 January 2019.

Measurement of lease liabilities

A reconciliation of the Bank's remaining operating lease payments as at 31 December 2018 and the lease liability as at 1 January 2019 and 31 December 2019 is shown below:

IFRS 16 Leases (effective 1 January 2019)	**N'000**
Adjustments as a result of a different treatment of extension and termination options	2,312,629
Lease liability as at 1 January 2019	2,312,629

Measurement of right-of-use assets

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepayments relating to the leasse recognised in the statement of financial position as at 31 December 2018.

3.3 Basis of consolidation

(a) Subsidiaries

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

[i] power over the investee;

[ii] exposure, or rights, to variable returns from its involvement with the investee; and

[iii] the ability to use its power over the investee to affect the amount of the investor's returns

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

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

[i] a contractual arrangement between the Group and other vote holders

[ii] rights arising from other contractual arrangements

[iii] the Group's voting rights (including voting patterns at previous shareholders' meetings)

[iv] potential voting rights

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The group has adopted the short cut approach for the sale of Diamond Bank UK acquired during the year

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

(b) Business combinations

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

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

The Group measures goodwill at the acquisition date as the total of:

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

When this total is negative, a gain from a bargain purchase is recognised immediately in statement of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.

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

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

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

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

(c) Loss of control

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

(d) Disposal of subsidiaries

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

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

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

(f) Transactions eliminated on consolidation

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

3.4 Segment reporting

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

3.5 Foreign currency translation

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

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

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

3.6 Operating income

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

Principal versus Agency considerations

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

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

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

(a) Interest income and expense

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

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

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

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

Interest income and expense presented in the statement of comprehensive income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis.
- interest on fair value through other comprehensive income investment securities calculated on an effective interest basis.

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

(b) Fees and commission

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

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

Fee and commission presented in the income statement includes:

- Credit related fees: This includes advisory and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Bank recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate.
- Account maintenance fees: These are fees charged to current accounts. N1 on every N1,000 in respect of all customer induced debit transactions is charged on these accounts. These fees are earned by the Bank at the time of each transaction and the Bank recognises its income accordingly.

- Card maintenance fees: The Bank charges these fees to customers for maintaining their cards. The fees are earned and recognised by the Bank over the validity year of the card. The Bank charges the customers for this service on a monthly basis.
- Other fees and commission income, includes commission on letters of credit, account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees. These fees and commissions are recognised as the related services are performed

(c) Net loss/gains on investment securities

Net loss/gains on investment securities comprise of the following:

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

(d) Foreign exchange income

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

(e) Other operating income

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

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

3.7 Income tax.

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

(a) Current tax

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

(b) Minimum Tax

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

(c) Deferred tax

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

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

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

3.8 (a) Financial assets and liabilities

Recognition and derecognition

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

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

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured subsequently at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

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

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net gains/(loss) on investment securities together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in net gains/(loss) on investment securities and impairment expenses are presented as separate line item in net impairment charge on financial assets
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within net gains/(loss) on investment securities in the year in which it arises.

Equity instruments

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

The Group only measures cash and balances with banks, Loans and advances to banks and customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

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

The SPPI test

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Financial Liabilities

Financial liabilities that are not classified at fair value through profit or loss are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

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

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

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

[i] Fair value through profit or loss

This category comprises financial assets classified as held for trading upon initial recognition.

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

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

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

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

[ii] Amortized cost

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

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

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

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

[iv] Fair value through other comprehensive income

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

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

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

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

[v] Investment under management

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

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

The investments are carried at fair value through OCI.

(b) Financial liabilities

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

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

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

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

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

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

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities.

Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

Cash and balances with banks

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

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

Pledged assets

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

Reclassification

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

The following are not changes in business model;

a. change in intention related to particular financial assets (even in circumstances of significant changes in market conditions).

b. the temporary disappearance of a particular market for financial assets.

c. a transfer of financial assets between parts of the entity with different business models.

Reclassification date

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

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

All reclassifications are applied prospectively from the reclassification date.

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

Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI. When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

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

Derecognition other than for substantial modification Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Derecognition other than for substantial modification Financial Liabilities

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

Offsetting

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

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

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

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

Impairment of financial assets

Overview of the ECL principles

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

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

Staging Assessment

The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2, Stage 3 and POCI (Purchased or originated credit impaired), as described below:

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

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

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

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

Change in credit quality since initial recognition

Stage 1	Stage 3
(Initial Recognition) 12-months 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 amount the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

- Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan. The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

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

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

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

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limitation in recoveries achieved across different borrower. These LGDs are influenced by collection strategies, including contracted debt sales and price.

The mechanics of the ECL method are summarised below:

- **Stage 1:** The 12 month ECL is calculated as the portion of Lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

  These expected 12-month default probabilities are applied to a forecast 12 month EAD and multiplied by the expected 12 month LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- **Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3:** For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- **POCI:** Purchase or Originated Credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four 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

Significant increase in credit risk (SICR)

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

Quantitative criteria:

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

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

Qualitative criteria:

For Retail loans, if the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months

For Corporate portfolio, if the borrower is on the watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

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

Backstop

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

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

Quantitative criteria

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

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

Incorporation of forward looking information and macroeconomic factors

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

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

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

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

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

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

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

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

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

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as external valuers.

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 easonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

(b) Financial liabilities

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

[i] Financial liabilities at amortised cost

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

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

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

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

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

[ii] Financial liabilities at fair value

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities.

Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

(c) De-recognition

[i] Financial assets

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

The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions as the Group retains all or substantially all the risks and rewards of ownership of such assets.

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

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Loans that are individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again.

[ii] Financial liabilities

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

(d) Offsetting

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

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

(f) Measurement

[i] Amortised cost measurement

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

[ii] Fair value measurement

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

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

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

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

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

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

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

[iii] 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.

[iv] Fair value through other comprehensive income securities

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

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

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

(g) Cash and balances with banks

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

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

(i) Repossessed collateral

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

(i) Derivative financial instruments

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

(j) Reclassification of financial assets

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

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

(k) Pledged assets

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

3.9 Investment properties

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

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

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

3.10 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When significant parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in the Income statement.

(b) Subsequent costs

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

(c) Depreciation

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

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

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

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

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

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

(d) De-recognition

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

3.11 Intangible assets

(a) Goodwill

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

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

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

(b) Software

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

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

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

3.12 Impairment of non-financial assets

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

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

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

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

3.13 Discontinued operations

The Group presents discontinued operations in a separate line in the consolidated income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and:

(a) Represents a separate major line of business or geographical area of operations;

(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) Is a subsidiary acquired exclusively with a view to resale (for example, certain private equity investments).

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

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

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

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

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

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

Repossessed collateral

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

3.15 Provisions

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

(a) Restructuring

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

3.16 Financial guarantees

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

3.17 Employee benefits

(a) Defined contribution plans

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

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

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

(b) Termination benefits

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

(c) Post employment defined benefit plan

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

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

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

(d) Short-term employee benefits

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

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

(e) Share-based payment remuneration scheme

The Group applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares. Employee incentives include awards in the form of shares. The cost of the employee services received in respect of the shares or share granted is recognised in the income statement over the year that employees provide services, generally the year between the date the award is granted or notified and the vesting date of the shares.

The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant. The number of shares expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a forfeiture, resulting in an acceleration of recognition of the cost of the employee services. The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The cost recognised as a result of shares granted in the year has been expensed within Personnel expenses, with a corresponding increase in the Share scheme reserve

3.18 Share capital and reserves

(a) Share issue costs

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

(b) Dividend on the Bank's ordinary shares

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

(c) Treasury shares

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

(d) Earnings per share

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

(e) Regulatory risk reserve

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

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

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

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

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

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

3.19 Levies

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

4.0 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied judgements are:

(i) Allowances for credit losses

(ii) Valuation of financial instruments

(iii) Assessment of impairment of goodwill on acquired subsidiaries

(iv) Defined benefit plan

Key sources of estimation uncertainty

(i) Allowances for credit losses

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

The measurement of impairment losses both under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, exchange rates, crude oil prices, GDP and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

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

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

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

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

A collective component of the total allowance is established for:

- Groups of homogeneous loans that are not considered individually significant and

- Groups of assets that are individually significant but were not found to be individually impaired

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

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

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

Corporate Loans

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

On balance Sheet Exposure

GDP growth rate: Given the signficant impact on companies performance and collateral valuations

Oil price: Given it impacts on purchasing power, demand as well as overall health of the economy

The table below outlines the total ECL for wholesale portfolios as at 31 December 2019, if the assumptions used to measure ECL remain as expected (amount as presented in the statement of financial position), as well as if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs.

(N'000)	-10%	+10%
P & L Impact of change in Macroeconomic variables	5,100,496	(4,936,292)

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

Had there been a 20% reduction in expected cashflows from all the stage 2 & 3 facilities, there would have been an additional impairment of N7.8bn in the financial statements relating to this. In addition, if the PDs and LGDs were increased by 2%, impairment charge would have further increased by N4.4BN but if the PDs and LGDs were decreased by 2%, there would have been a write back of impairment of N2.5BN.

	Group December 2019	Group December 2018	Group December 2019	Group December 2018
	Loans and advances to individuals		Loans and advances to corporates	
Impact on Profit before tax				
20% reduction in expected cashflows from stage 2 loans	**(7,788,290)**	(14,757,060)	**(6,831,833)**	(14,529,752)
Increase in LGD and PD by 2%	**(4,538,702)**	(727,376)	**(3,814,035)**	(716,172)
Decrease in LGDs and PD by 2%	**2,571,839**	647,444	**2,296,284**	637,471
Increase in LGDs and PD by 10%	**(9,906,466)**	(3,477,014)	**(8,743,571)**	(3,423,456)
Decrease in LGDs and PD by 10%	**17,737,650**	3,397,082	**14,247,109**	3,344,756

(N'000)	-10%	+10%
P & L Impact of change in Macroeconomic variables	149,783	(150,582)

Statement of prudential adjustments

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

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

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

- Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".

- Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

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

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

Statement of prudential adjustments		**December 2019**	**December 2018**
In thousands of Naira			
Bank	Note		
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	23(b)	1,361,987	80,205
- Loans to individuals	23(b)	4,776,944	5,266,200
- Loans to corporate	23(b)	176,222,477	72,009,750

Total impairment allowances on loans per IFRS	**182,361,408**	**77,356,155**
Total regulatory impairment based on prudential guidelines	**191,844,408**	**86,839,155**
Balance, beginning of the year	9,483,000	35,058,266
Additional transfers to/(from) regulatory risk reserve	-	(25,575,266)
Balance, end of the year	**9,483,000**	**9,483,000**

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

4.1 Valuation of financial instruments

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

4.1.1 Recurring fair value measurements

Group
December 2019
In thousands of Naira

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

	Level 1	Level 2	Level 3	Total
	504,826,972	**174,483,110**	**146,306,203**	**825,616,285**
Liabilities				
Derivative financial instrument	-	6,885,680	-	6,885,680
	-	**6,885,680**	**-**	**6,885,680**

Group

December 2018

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	727,220	-	-	727,220
Placements	-	7,378,561	-	7,378,561
Commercial paper	3,200,134	-	-	3,200,134
Nigerian Treasury bills	7,468,814	-	-	7,468,814
Mutual funds	-	2,662,480	-	2,662,480
Eurobonds	-	2,402,185	-	2,402,185
Non pledged trading assets				
Treasury bills	38,465,116	-	-	38,465,116
Bonds	292,684	-	-	292,684
Equity	59,347	-	-	59,347
Derivative financial instrument	-	128,440,342	-	128,440,342
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	170,118,776	-	-	170,118,776
Bonds	10,000,146	-	-	10,000,146
-Financial instruments at FVPL				
Treasury bills	18,361,112	-	-	18,361,112
Bonds	1,330,944	-	-	1,330,944
Investment securities				
-Financial assets at FVOCI				
Treasury bills	195,218,225	-	-	195,218,225
Bonds	37,314,997	7,476,009	-	44,791,006
-Financial assets at FVPL				
Equity	11,163,221	517,969	97,738,385	109,419,575
Assets held for sale	-	-	12,241,824	12,241,824
	493,720,736	**148,877,546**	**109,980,209**	**752,578,491**
Liabilities				
Derivative financial instrument	-	5,206,001	-	5,206,001
	-	**5,206,001**	**-**	**5,206,001**

Bank

December 2019

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	2,054,650	-	-	2,054,650
Placements	-	-	9,779,427	9,779,427
Commercial paper	-	6,849,720	-	6,849,720
Nigerian Treasury bills	4,280,814	-	-	4,280,814

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

Bank

December 2018

In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	727,220	-	-	727,220
Placements	-	7,378,561	-	7,378,561
Commercial paper	3,200,134	-	-	3,200,134
Nigerian Treasury bills	7,468,814	-	-	7,468,814
Mutual funds	-	2,662,480	-	2,662,480
Eurobonds	-	2,402,185	-	2,402,185
Non pledged trading assets				
Treasury bills	36,230,640	-	-	36,230,640
Bonds	291,070	-	-	291,070
Equity	59,348	-	-	59,348
Derivative financial instrument	-	128,133,789	-	128,133,789
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	170,118,776	-	-	170,118,776
Bonds	10,000,146	-	-	10,000,146
-Financial instruments at FVPL				

Treasury bills	18,361,112	-	-	18,361,112
Bonds	1,330,944	-	-	1,330,944
Investment securities				
-Financial assets at FVOCI				
Treasury bills	48,881,703	-	-	48,881,703
Bonds	7,614,303	7,476,009	-	15,090,312
Equity	-	-	-	-
-Financial assets at FVPL				
Equity	11,132,532	517,969	97,220,093	108,870,594
Assets held for sale	-	-	12,241,824	12,241,824
	315,416,742	**148,570,993**	**109,461,917**	**573,449,652**
Liabilities				
Derivative financial instrument	-	5,306,450	-	5,306,450
	-	**5,306,450**	**-**	**5,306,450**

4.1.2 Financial instruments not measured at fair value

Group
December 2019
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	723,064,003	723,064,003
Loans and advances to banks	-	-	152,825,081	152,825,081
Loans and advances to customers	-	-	2,911,579,708	2,911,579,708
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	452,686,283	-	-	452,686,283
Bonds	82,599,583	-	-	82,599,583
Investment securities				
-Financial assets at amortised cost				
Treasury bills	379,283,381	-	-	379,283,381
Bonds	256,532,576	9,746,421		266,278,995
Other assets	-	-	1,016,582,843	1,016,582,843
	1,171,101,823	**9,746,421**	**4,804,051,635**	**5,984,899,876**
Liabilities				
Deposits from financial institutions	-	-	1,186,356,312	1,186,356,312
Deposits from customers	-	-	4,255,837,303	4,255,837,303
Other liabilities	-	-	315,626,032	315,626,032
Debt securities issued	126,360,001	-	-	126,360,001
Interest-bearing borrowings	-	-	586,602,830	586,602,830
	126,360,001	**-**	**6,344,422,477**	**6,344,422,478**

Group
December 2018
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	740,926,362	740,926,362
Loans and advances to banks	-	-	142,489,543	142,489,543
Loans and advances to customers	-	-	1,993,606,233	1,993,606,233

Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	192,208,928	-	-	192,208,928
Bonds	162,033,050	-	-	162,033,050
Investment securities				-
-Financial assets at amortised cost				
Treasury bills	102,564,048	-	-	102,564,048
Bonds	41,716,865	7,380,130		49,096,995
Other assets	-	-	683,991,854	683,991,854
	498,522,891	**7,380,130**	**3,561,013,992**	**4,066,917,013**
Liabilities				
Deposits from financial institutions	-	-	994,572,845	994,572,845
Deposits from customers	-	-	2,564,908,384	2,564,908,384
Other liabilities	-	-	168,516,337	168,516,337
Debt securities issued	251,251,383	-	-	251,251,383
Interest-bearing borrowings	-	-	388,416,735	388,416,735
	251,251,383	**-**	**4,116,414,301**	**4,367,665,684**

Bank
December 2019
In thousands of Naira

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash and balances with banks	-	-	575,906,273	575,906,273
Loans and advances to banks	-	-	164,413,001	164,413,001
Loans and advances to customers	-	-	2,481,623,671	2,481,623,671
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	452,686,282	-	-	452,686,282
Bonds	82,599,583	-	-	82,599,583
Investment securities				
-Financial assets at amortised cost				
Treasury bills	341,786,029	-	-	341,786,029
Bonds	241,082,412	9,746,421	-	250,828,832
Other assets	-	-	968,698,629	968,698,629
	1,118,154,307	**9,746,421**	**4,190,641,574**	**5,318,542,301**
Liabilities				
Deposits from financial institutions	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	-	-	295,184,124	295,184,124
Debt securities issued	126,360,001		-	126,360,001
Interest-bearing borrowings	-	-	544,064,226	544,064,226
	126,360,001	**-**	**839,248,350**	**965,608,351**

Bank
December 2018
In thousands of Naira

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash and balances with banks	-		338,289,912	338,289,912
Loans and advances to banks	-	-	100,993,116	100,993,116
Loans and advances to customers	-	-	1,681,761,862	1,681,761,862

Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	192,208,928	-	-	192,208,928
Bonds	162,033,050	-	-	162,033,050
Investment securities				
-Financial assets at amortised cost				
Treasury bills	60,166,222	-	-	60,166,222
Bonds	18,208,695	7,380,128	-	25,588,823
Other assets	-	-	610,904,300	610,904,300
	432,616,895	**7,380,128**	**2,731,949,190**	**3,171,946,213**
Liabilities				
Deposits from financial institutions	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	-	-	145,106,507	145,106,507
Debt securities issued	251,251,383	-	-	251,251,383
Interest-bearing borrowings	-	-	363,682,441	363,682,441
	251,251,383	**-**	**508,788,948**	**760,040,331**

Financial instrument measured at fair value

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

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

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

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

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

(c) Financial instruments in level 3

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

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

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

(ii) Valuation of financial instruments

Valuation techniques used to derive Level 2 fair values

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

Description	Fair value at 31 December 2019	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	143,480,073	Forward and swap: Fair value through market rate from a quoted market Futures: Fair value through reference market rate	Market rates from quoted market	136,380,720	136,925,579	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	6,827,293					

Valuation techniques used to derive Level 3 fair values

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

Description	Fair value at 31 December 2019	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	89,805,806	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	94,296,097	85,315,516	94,296,097	85,315,516	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	6,732,958	Adjusted fair value comparison approach	Median PE ratios of comparable companies	7,069,606	6,396,310	7,069,606	6,396,310	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value

Investment in CSCS	4,312,500	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,528,125	4,096,875	4,528,125	4,096,875	The higher the illiquidity ratio and the size ad-justment/hair-cut, the lower the fair value
Investment in NIBSS	4,999,760	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	5,249,748	4,749,772	5,205,008	4,709,293	The higher the illiquidity ratio and the size ad-justment/hair-cut, the lower the fair value
Investment in Afrexim	34,396	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	36,116	32,676	36,116	32,676	The higher the illiquidity ratio and the size ad-justment/hair-cut, the lower the fair value
Investment in FMDQ	684,900	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	719,145	650,655	719,145	650,655	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	391,854	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	411,447	372,262	323,077	292,308	The higher the illiquidity ratio and the size ad-justment/hair-cut, the lower the fair value
Nigerian Mortgage Refinance Company	305,227	Adjusted fair value comparison approach	Prices as obtained from NASD (National Association of Securities Dealers)	320,488	289,966	320,488	289,966	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Capital Alliance Equity Fund	4,982,794	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	5,231,934	4,733,655	5,231,934	4,733,655	The higher the illiquidity ratio and the size ad-justment/hair-cut, the lower the fair value
NG Clearing	227,491	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	238,866	216,117	238,866	216,117	The higher the illiquidity ratio and the size ad-justment/hair-cut, the lower the fair value
SANEF	50,000	Adjusted fair value comparison approach	Fair value of transactions at settle-ment date	52,500	47,500	52,500	47,500	The higher the illiquidity ratio and the size ad-justment/hair-cut, the lower the fair value

Reconciliation of Level 3 Investments

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

Financial assets at fair value through profit or loss	**Group December 2019**	**Group December 2018**	**Bank December 2019**	**Bank December 2018**
Opening balance	**98,287,042**	55,180,818	**97,738,061**	54,929,512
Acquired from business combination	**6,058,135**	34,196,186	**6,058,135**	-
Total unrealised gains in P/L	**19,799,137**	3,997,915	**19,799,137**	34,196,186
Cost of Asset (Additions)	**50,000**	4,912,123	**50,000**	3,997,915
Sales	**(11,634,929)**	-	**(11,117,647)**	4,614,448
Balance, year end	**112,559,385**	**98,287,042**	**112,527,686**	**97,738,061**

Assets Held for Sale	**Group December 2019**	**Group December 2018**	**Bank December 2019**	**Bank December 2018**
Opening balance	**12,241,824**	9,479,967	**12,241,830**	9,479,967
Acquired from business combination	**-**	-	**-**	-
Additions	**14,660,697**	3,826,836	**14,660,695**	3,826,842
Disposals	**(1,945,000)**	(1,064,979)	**(1,945,000)**	(1,064,979)
Balance, year end	**24,957,521**	**12,241,824**	**24,957,525**	**12,241,830**

Valuation technique unquoted equity:

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

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

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

Description of valuation methodology and inputs:

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

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

Step 1: Identify quoted companies with similar line of business ,structure and size

Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg, Reuters or Nigeria Stock Exchange

Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies

Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value or Earnings of the investment company to get the value of the investment company

Step 5: Discount the derived value of the investment company by applying an Illiquidity discount and size adjustment/haircut to obtain the Adjusted Equity Value

Step 6: Multiply the adjusted equity value by the present exchange rate for foreign currency investment

Step 7: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss

a. Enterprise Value (EV):

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

b. Price to Earning (P/E Ratio):

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

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

Basis of valuation:

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

Method of Valuation

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

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

(iii) Assessment of impairment of goodwill on acquired subsidiaries

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

(iv) Defined benefit plan

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

4.3 FINANCIAL ASSETS AND LIABILITIES

Fair value measurement

Accounting classification measurement basis and fair values

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

Group *In thousands of Naira* **December 2019**	Financial assets measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	723,064,003	-	-	-	723,064,003	723,064,003
Investment under management	-	-	28,291,959	-	-	28,291,959	28,291,959
Non pledged trading assets							
Treasury bills	89,797,961	-	-	-	-	89,797,961	89,797,961
Bonds	40,021,277	-	-	-	-	40,021,277	40,021,277
Equity	-	-	-	-	-	-	-
Derivative financial instruments	143,520,553	-	-	-	-	143,520,553	143,520,553
Loans and advances to banks	-	152,825,081	-	-	-	152,825,081	152,825,081
Loans and advances to customers	-	2,911,579,708	-	-	-	2,911,579,708	2,911,579,708
Pledged assets							
Treasury bills	39,881,494	452,686,281	30,388,532	-	-	522,956,307	522,956,307
Bonds	-	82,599,583	-	-	-	82,599,583	82,599,584
Investment securities							
- Financial assets at FVOCI							
Treasury bills	-	-	232,813,374	-	-	232,813,374	232,813,374
Bonds	-	-	81,977,676	-	-	81,977,676	81,977,676
Promissory Notes	-	-	807,619	-	-	807,619	807,619
- Financial assets at FVPL							
Equity	113,158,320	-	-	-	-	113,158,320	108,602,428
- Financial assets at amortised cost							
Treasury bills	-	379,283,381	-	-	-	379,283,381	272,687,967
Bonds	-	266,278,996	-	-	-	266,278,996	78,096,004
Promissory Notes	-	10,844,042	-	-	-	10,844,042	20,260,865
Other assets	-	1,022,592,166	-	-	-	1,022,592,166	881,457,493
	426,379,605	**6,001,753,239**	**374,279,160**	**-**	**-**	**6,802,412,006**	**6,371,359,860**
Deposits from financial institutions	-	-	-	-	1,186,356,314	1,186,356,314	1,201,095,342
Deposits from customers	-	-	-	-	4,255,837,303	4,255,837,303	4,308,710,881
Other liabilities	-	-	-	-	4,526,457	4,526,457	4,526,457
Derivative financial instruments	-	-	-	6,885,680	-	6,885,680	4,749,615
Debt securities issued	-	-	-	-	157,987,877	157,987,877	124,883,327
Interest bearing borrowings	-	-	-	-	586,602,830	586,602,830	611,846,270
	-	**-**	**-**	**6,885,680**	**6,191,310,780**	**6,198,196,459**	**6,255,811,891**

Group *In thousands of Naira* **December 2018**	Financial assets measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	788,410,135	-	-	-	788,410,135	788,410,135
Investment under management	-	-	23,839,395	-	-	23,839,395	23,839,395
Non pledged trading assets							
Treasury bills	38,465,116	-	-	-	-	38,465,116	38,465,116
Bonds	292,684	-	-	-	-	292,684	292,684
Equity	59,348	-	-	-	-	59,348	59,348
Derivative financial instruments	-	-	-	128,440,342	-	128,440,342	128,440,342
Loans and advances to banks	-	142,489,543	-	-	-	142,489,543	142,489,543
Loans and advances to customers	-	1,993,606,233	-	-	-	1,993,606,233	1,993,606,233
Pledged assets							
Treasury bills	18,361,112	192,208,928	170,118,776	-	-	380,688,816	380,688,816
Bonds	1,330,944	162,033,050	10,000,146	-	-	173,364,140	173,364,140
Investment securities							
- Financial assets at FVOCI							
Treasury bills	-	-	150,883,819	-	-	150,883,819	150,883,819
Bonds	-	-	44,791,006	-	-	44,791,006	44,791,006
- Financial assets at FVPL							
Equity	-	-	-	109,419,574	-	109,419,574	109,419,574
- Financial assets at amortised cost							
Treasury bills	-	103,729,306	-	-	-	103,729,306	103,729,306
Bonds	-	49,096,996	-	-	-	49,096,996	49,096,996
Other assets	-	714,243,468	-	-	-	714,243,468	714,243,468
	58,509,203	**4,145,817,658**	**399,633,143**	**237,859,916**	**-**	**4,841,819,921**	**4,841,819,921**
Deposits from financial institutions	-	-	-	-	994,572,845	994,572,845	994,572,845
Deposits from customers	-	-	-	-	2,652,515,699	2,652,515,699	2,652,515,699
Other liabilities	-	-	-	-	1,482,931	1,482,931	1,482,931
Derivative financial instruments	-	-	-	5,206,001	-	5,206,001	5,206,001
Debt securities issued	-	-	-	-	251,251,383	251,251,383	251,251,383
Interest bearing borrowings	-	-	-	-	388,416,734	388,416,734	388,416,734
	-	**-**	**-**	**5,206,001**	**4,288,239,592**	**4,293,445,593**	**4,293,445,593**

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

Bank *In thousands of Naira* **December 2019**	**Financial assets measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	575,906,273	-	-	-	575,906,273	575,906,273
Investment under management	-	-	28,291,959	-	-	28,291,959	28,291,959
Non pledged trading assets							
Treasury bills	74,749,344	-	-	-	-	74,749,344	74,749,344
Bonds	2,222,417	-	-	-	-	2,222,417	2,222,417
Equity	-	-	-	-	-	-	-
Derivative financial instruments	143,480,073	-	-	-	-	143,480,073	143,480,073
Loans and advances to banks	-	164,413,001	-	-	-	164,413,001	164,413,001
Loans and advances to customers	-	2,481,623,671	-	-	-	2,481,623,671	2,481,623,671
Pledged assets							
Treasury bills	39,881,494	452,686,281	30,388,532	-	-	522,956,307	522,956,307
Bonds	-	82,599,583	-	-	-	82,599,583	82,599,583
Investment securities							
- Financial assets at FVOCI							
Treasury bills	-	-	77,897,548	-	-	77,897,548	77,897,548
Bonds	-	-	18,950,446	-	-	18,950,446	18,950,446
Promissory Notes	-	-	807,619	-	-	807,619	807,619
- Financial assets at FVPL							
Equity	-	-	-	113,126,623	-	113,126,623	113,126,623
- Financial assets at amortised cost							
Treasury bills	-	341,786,029	-	-	-	341,786,029	341,786,029
Bonds	-	250,828,832	-	-	-	250,828,832	250,828,832
Promissory Notes	-	10,844,043	-	-	-	10,844,043	10,844,043
Other assets	-	974,543,393	-	-	-	974,543,393	974,543,393
	260,333,328	**5,335,231,106**	**156,336,104**	**113,126,623**	**-**	**5,865,027,162**	**5,865,027,162**
Deposits from financial institutions	-	-	-	-	1,079,284,418	1,079,284,418	1,092,693,207
Deposits from customers	-	-	-	-	3,668,339,811	3,668,339,811	3,713,914,452
Other liabilities	-	-	-	-	4,353,070	4,353,070	4,353,070
Derivative financial instruments	-	-	-	6,827,293	-	6,827,293	5,206,001
Debt securities issued	-	-	-	-	157,987,877	157,987,877	251,251,383
Interest bearing borrowings	-	-	-	-	544,064,226	544,064,226	388,416,734
	-	**-**	**-**	**6,827,293**	**5,454,029,402**	**5,460,856,695**	**5,455,834,847**

Bank

In thousands of Naira

December 2018	Financial assets measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	338,289,912	-	-	-	338,289,912	338,289,912
Investment under management	-	-	23,839,394	-	-	23,839,394	23,839,394
Non pledged trading assets							
Treasury bills	36,230,640	-	-	-	-	36,230,640	36,230,640
Bonds	291,070	-	-	-	-	291,070	291,070
Equity	59,348	-	-	-	-	59,348	59,348
Derivative financial instruments	-	-	-	128,133,789	-	128,133,789	128,133,789
Loans and advances to banks	-	100,993,116	-	-	-	100,993,116	100,993,116
Loans and advances to customers	-	1,681,761,862	-	-	-	1,681,761,862	1,681,761,862
Pledged assets							
Treasury bills	18,361,112	192,208,928	170,118,776	-	-	380,688,816	380,688,816
Bonds	1,330,944	162,033,050	10,000,146	-	-	173,364,139	173,364,139
Investment securities							
- Financial assets at FVOCI							
Treasury bills	-	-	47,716,445	-	-	47,716,445	47,716,445
Bonds	-	-	15,090,313	-	-	15,090,313	15,090,313
Equity	-	-	-	-	-	-	-
- Financial assets at FVPL							
Equity	-	-	-	108,870,593	-	108,870,593	108,870,593
- Financial assets at amortised cost	-	-	-	-	-		-
Treasury bills	-	61,331,479	-	-	-	61,331,479	61,331,479
Bonds	-	25,588,825	-	-	-	25,588,825	25,588,825
Other assets	-	592,560,716	-	-	-	592,560,716	592,560,716
	56,273,114	**3,154,767,888**	**266,765,074**	**237,004,382**	**-**	**3,714,810,457**	**3,714,810,457**
Deposits from financial institutions	-	-	-	-	616,644,610	616,644,610	616,644,610
Deposits from customers	-	-	-	-	2,146,346,247	2,146,346,247	2,146,346,247
Other liabilities	-	-	-	5,185,870	-	5,185,870	5,185,870
Derivative financial instruments	-	-	-	-	1,482,931	1,482,931	1,482,931
Debt securities issued	-	-	-	-	251,251,383	251,251,383	251,251,383
Interest bearing borrowings	-	-	-	-	363,682,441	363,682,441	363,682,441
	-	**-**	**-**	**5,185,870**	**3,379,407,612**	**3,384,593,482**	**3,384,593,482**

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

4.3 (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 with their amounts of financial assets in 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.

5.1 Credit risk management

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

Credit risk exposures relating to financial assets are as follows:

In thousands of Naira	**Group December 2019**	**Group December 2018**	**Bank December 2019**	**Bank December 2018**
Cash and balances with banks				
- Current balances with banks	**483,040,381**	282,044,974	**321,270,808**	111,750,907
- Unrestricted balances with central banks	**117,883,814**	29,366,693	**97,734,073**	6,759,948
- Money market placements	**48,838,459**	220,309,727	**32,822,516**	46,392,634
- Other deposits with central banks	**99,347,553**	77,024,474	**99,347,553**	77,024,474
Investment under management	**28,291,959**	23,839,394	**28,291,959**	23,839,394
Non pledged trading assets				
Treasury bills	**89,797,961**	38,465,116	**74,749,344**	36,230,640
Bonds	**40,021,277**	292,684	**2,222,417**	291,070
Derivative financial instruments	**143,520,553**	128,440,342	**143,480,073**	128,133,789
Loans and advances to banks	**152,825,081**	142,489,543	**164,413,001**	100,993,116
Loans and advances to customers	**2,911,579,708**	1,993,606,233	**2,481,623,671**	1,681,761,862
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	**30,388,532**	170,118,776	**30,388,532**	170,118,776
Bonds	**-**	10,000,146	**-**	10,000,146
-Financial instruments at amortized cost				
Treasury bills	**452,686,283**	192,208,928	**452,686,282**	192,208,928
Bonds	**82,599,583**	162,033,050	**82,599,583**	162,033,050
-Financial instruments at FVPL				
Treasury bills	**39,881,494**	18,361,112	**39,881,494**	18,361,112
Bonds	**-**	1,330,944	**-**	1,330,944
Investment securities				
-Financial instruments at FVOCI				
Treasury bills	**232,813,374**	195,218,225	**77,897,548**	48,881,703
Bonds	**64,989,934**	37,314,997	**4,823,398**	7,614,303
- Financial assets at amortised cost				
Treasury bills	**379,283,381**	102,564,048	**341,786,029**	60,166,222
Bonds	**277,123,038**	49,096,996	**261,672,875**	25,588,823
Restricted deposit and other assets	**1,016,582,843**	683,991,854	**968,698,629**	610,904,300
Total	**6,691,495,206**	**4,558,118,256**	**5,706,389,785**	**3,520,386,142**
Off balance sheet exposures				
Transaction related bonds and guarantees	**477,932,817**	452,083,539	**451,514,549**	358,862,448
Guaranteed facilities	**-**	-	**-**	-
Clean line facilities for letters of credit and other commitments	**419,584,999**	307,761,666	**324,529,363**	205,997,841
Total	**897,517,816**	**759,845,205**	**776,043,912**	**564,860,289**

Balances included in other Assets above are those subject to credit risks. The table above shows a worst-case scenario of credit risk exposure to the Group as at 31 December 2019 and 31 December 2018, without taking account of any collateral held or other credit enhancements attached.

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

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

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Agriculture	**33,345,655**	17,002,168	**31,591,359**	15,323,959
Construction	**219,709,444**	174,360,808	**190,749,900**	144,854,266
Education	**1,672,612**	1,395,526	**1,672,612**	1,395,526
Finance and insurance	**42,268,668**	37,205,108	**35,603,293**	21,643,224
General	**162,271,569**	85,518,555	**141,416,749**	70,154,412
General commerce	**360,173,840**	270,266,208	**301,611,261**	197,537,626
Government	**222,679,198**	232,327,741	**197,097,269**	232,256,082
Information And communication	**150,342,607**	57,808,780	**146,599,122**	54,476,339
Other manufacturing (Industries)	**96,217,261**	90,513,883	**55,346,512**	60,615,580
Basic metal Products	**44,740,231**	4,514,437	**44,740,231**	4,514,437
Cement	**33,722,220**	23,626,887	**33,722,220**	23,626,887
Conglomerate	**79,971,726**	37,436,759	**79,971,726**	37,436,759
Flourmills And bakeries	**13,304,974**	2,566,092	**13,304,974**	2,566,092
Food manufacturing	**145,705,898**	10,175,471	**61,926,991**	10,175,471
Steel rolling mills	**116,073,823**	92,210,952	**116,073,823**	79,519,138
Oil And Gas - downstream	**148,711,764**	97,002,579	**134,328,441**	86,709,135
Oil And Gas - services	**480,719,449**	247,438,565	**438,926,952**	247,438,565
Oil And Gas - upstream	**240,938,354**	142,558,744	**239,917,864**	142,558,744
Crude oil refining	**45,851,377**	42,072,991	**45,851,377**	32,670,296
Real estate activities	**241,219,354**	224,231,495	**223,961,036**	197,389,258
Transportation and storage	**99,158,890**	114,408,739	**79,289,024**	69,536,404
Power and energy	**25,424,378**	9,169,591	**24,135,507**	8,818,148
Professional, scientific and technical activities	**2,710,129**	45,200,891	**2,710,129**	8,357,661
Others	**96,037,024**	22,758,056	**22,074,716**	9,463,802
	3,102,970,446	**2,081,771,026**	**2,662,623,088**	**1,759,037,811**

5.1.3(a) Group

December 2019

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	197,511,320	1,643,278	-	199,154,597	712,723	642,546	-	1,355,269	197,799,328
Non-Investment	-	4,711,282	5,980,095	10,691,378	-	581,220	3,239,997	3,821,217	6,870,161

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	715,600,782	274,134,832	-	989,735,613	1,918,337	27,033,881	-	28,952,217	960,783,395
Standard grade	1,050,827,640	405,723,677	-	1,456,551,315	18,790,398	32,848,728	-	51,639,126	1,404,912,189
Non-Investment	-	266,522,021	180,315,519	446,837,541	-	50,032,238	55,590,669	105,622,907	341,214,633

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	152,283,368	-	-	152,283,368	6,986	-	-	6,986	152,276,382
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	2,166,836	2,166,836	-	-	1,618,137	1,618,137	548,699

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	435,168,300	1,322,678	-	436,490,978	505,168	327	-	505,495	435,985,483
Standard grade	310,740,727	18,033,882	1,124,576	329,899,185	2,262,578	80,113	244,233	2,586,924	327,312,261
Non-Investment	211,023	5,778,001	3,664,726	9,653,750	1,889	220,619	1,038,129	1,260,636	8,393,112

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	948,383,896		-	948,383,896	1,800	-	-	1,800	948,382,096
Standard grade	11,950,956	-	-	11,950,956	117,946	-	-	117,946	11,833,010
Sub-standard grade	932,242	47,632	462,530	1,442,404	71,625	-	-	71,625	1,370,779
Non-Investment	10,227,833	-	-	10,227,833	14,541	1,879	462,530	478,950	9,748,883

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	48,838,459	-	-	48,838,459	91,447	-	-	91,447	48,747,010
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	-	-	-	-	-	-	-

All restricted deposits have been classified as investment grade with a gross carrying amount of N1.06 trilliion and a Stage 1 ECL of N5.98 billion.

5.1.3(b) Bank

December 2019

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	84,319,032	1,643,278	-	85,962,310	632,815	642,546	-	1,275,361	84,686,950
Non-Investment	-	4,529,152	5,524,770	10,053,922	-	474,675	3,026,908	3,501,583	6,552,339

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	595,909,009	274,134,832	-	870,043,841	1,454,224	27,033,881	-	28,488,104	841,555,736
Standard grade	865,647,361	405,723,677	-	1,271,371,038	16,933,943	32,848,728	-	49,782,672	1,221,588,366
Non-Investment	-	260,337,575	164,854,403	425,191,978	-	47,475,169	50,476,532	97,951,701	327,240,277

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	163,608,152	-	-	163,608,152	6,986	-	-	6,986	163,601,166
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	2,166,836	2,166,836	-	-	1,355,001	1,355,001	811,835

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	435,168,300	1,322,678	-	436,490,978	505,168	327	-	505,495	435,985,483
Standard grade	310,740,727	18,033,882	1,124,576	329,899,185	2,262,578	80,113	244,233	2,586,924	327,312,261
Non-Investment	211,023	5,778,001	3,664,726	9,653,750	1,889	220,619	1,038,129	1,260,636	8,393,112

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	680,815,819			680,815,819	133,491			133,491	680,682,328
Standard grade	4,862,794	-	-	4,862,794		1,879		1,879	4,860,915
Non-Investment	932,242			932,242			462,530	462,530	469,712

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	32,822,516	-	-	32,822,516	1,275	-	-	1,275	32,821,240
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	-	-	-	-	-	-	-

All restricted deposits have been classified as investment grade with a gross carrying amount of N1.01 trilliion and a Stage 1 ECL of N5.82 billion.

5.1.3(a) Group

December 2018

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	122,184,042	2,802,087	647,780	125,633,909	526,454	381,447	571,051	1,478,952	124,154,957
Non-Investment	928,735	239,938	4,549,777	5,718,450	16,052	108,893	4,070,636	4,195,581	1,522,869

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	610,100,166	17,461,207	-	627,561,373	1,834,632	32,660	-	1,867,292	625,694,082
Standard grade	856,979,287	355,139,355	346,325	1,212,464,967	24,323,693	28,849,910	82,357	53,255,960	1,159,209,007
Non-Investment	-	60,589,165	49,803,163	110,392,328	-	11,420,758	15,946,251	27,367,009	83,025,319

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	141,344,369	-	-	141,344,369	5,054	-	-	5,054	141,339,315
Standard grade	1,122,915	-	-	1,122,915	30,124	-	-	30,124	1,092,791
Non-Investment	-	-	102,463	102,463	-	-	45,026	45,026	57,437

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	389,819,103	-	-	389,819,103	139,302	-	-	139,302	389,679,802
Standard grade	320,204,678	-	-	320,204,678	1,010,598	-	-	1,010,598	319,194,080
Non-Investment	48,078,696	590,794	1,151,934	49,821,424	102,560	-	230,471	333,031	49,488,393

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	455,794,640	-	-	455,794,640	2,939	-	-	2,939	455,791,701
Standard grade	-	2,127,737	-	2,127,737	-	16,105	-	16,105	2,111,631
Non-Investment	-	-	-	-	-	-	-	-	-

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	220,312,933	-	-	220,312,933	3,206	-	-	3,206	220,309,728
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3(b) Bank

December 2018

Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	28,580,675	2,802,087	647,780	32,030,542	444,787	381,447	571,051	1,397,285	30,633,257
Non-Investment	928,735	677	4,370,332	5,299,744	16,052	4	3,852,859	3,868,915	1,430,829

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	528,756,212	17,461,207	-	546,217,419	1,306,523	32,660	-	1,339,183	544,878,236
Standard grade	735,334,488	355,139,355	346,325	1,090,820,168	22,211,258	28,849,910	82,357	51,143,525	1,039,676,643
Non-Investment	-	45,890,657	38,779,283	84,669,940	-	8,807,436	10,719,606	19,527,042	65,142,898
					-				

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	99,847,929	-	-	99,847,929	5,054	-	-	5,054	99,842,875
Standard grade	1,122,915	-	-	1,122,915	30,124	-	-	30,124	1,092,791
Non-Investment	-	-	102,463	102,463	-	-	45,026	45,026	57,437

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	312,215,107	-	-	312,215,107	139,302	-	-	139,302	312,075,805
Standard grade	242,600,681	-	-	242,600,681	1,010,598	-	-	1,010,598	241,590,083
Non-Investment	9,276,698	103,332	664,471	10,044,501	102,560	-	230,471	333,031	9,711,470

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	256,471,594	-	-	256,471,594	2,939	-	-	2,939	256,468,655
Standard grade	-	2,127,737	-	2,127,737	-	16,105	-	16,105	2,111,632
Non-Investment	-	-	-	-	-	-	-	-	-

Money market placements

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	46,393,374	-	-	46,393,374	741	-	-	741	46,392,633
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3 Credit quality

(c) Credit quality by risk rating class

Group

In thousands of Naira

December 2019

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	971,147	-	-	971,147	5,395	-	-	5,395	965,752
BB	Standard	3	194,644,869	1,343,585	-	195,988,453	640,016	479,342	-	1,119,358	194,869,095
BB-	Standard	3-	1,895,304	299,693	-	2,194,998	67,312	163,204	-	230,517	1,964,481
B	Non-Investment	4	-	3,861,882	-	3,861,882	-	234,704	-	234,703	3,627,179
B-	Non-Investment	5	-	849,401	455,325	1,304,726	-	346,516	-	346,515	958,211
CCC	Non-Investment	6	-	-	3,364,354	3,364,354	-	-	2,040,908	2,040,908	1,323,445
C	Non-Investment	7	-	-	907,961	907,961	-	-	487,296	487,296	420,665
D	Non-Investment	8	-	-	1,252,455	1,252,455	-	-	711,793	711,793	540,662
Carrying amount			**197,511,320**	**6,354,560**	**5,980,094**	**209,845,976**	**712,723**	**1,223,766**	**3,239,997**	**5,176,485**	**204,669,490**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	141,904,070	-	-	141,904,070	18,603	-	-	18,603	141,885,468
AA	Investment	2+	283,074,454	37,790,380	-	320,864,834	1,181,275	1,932,467	-	3,113,742	317,751,091
A	Investment	2	245,094,727	38,680,332	-	283,775,059	1,917,123	1,464,687	-	3,381,809	280,393,249
BBB	Investment	2-	45,527,531	197,664,120	-	243,191,651	193,679	23,636,727	-	23,830,405	219,361,245
BB+	Standard	3+	250,663,351	63,236,897	-	313,900,248	1,215,134	2,543,566	-	3,758,700	310,141,548
BB	Standard	3	716,020,141	236,380,353	-	952,400,494	14,462,844	15,952,726	-	30,415,570	921,984,924
BB-	Standard	3-	84,144,148	106,106,427	-	190,250,574	1,720,078	14,352,436	-	16,072,515	174,178,060
B	Non-Investment	4	-	168,487,181	-	168,487,181	-	23,151,499	-	23,151,499	145,335,682
B-	Non-Investment	5	-	98,034,841	15,461,116	113,495,958	-	26,880,739	-	26,880,738	86,615,220
CCC	Non-Investment	6	-	-	33,482,272	33,482,271	-	-	16,906,199	16,906,200	16,576,072
C	Non-Investment	7	-	-	106,052,309	106,052,309	-	-	28,891,972	28,891,972	77,160,337
D	Non-Investment	8	-	-	25,319,822	25,319,822	-	-	9,792,498	9,792,498	15,527,323
			1,766,428,423	**946,380,528**	**180,315,519**	**2,893,124,469**	**20,708,736**	**109,914,847**	**55,590,670**	**186,214,252**	**2,706,910,220**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	151,461,374	-	-	151,461,374	269,668	-	-	269,668	151,191,705
A	Investment	2	821,994	-	-	821,994	454	-	-	454	821,540
BB	Standard	3	-	-	-	-	-	-	-	-	-
BB-	Standard	3-	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	2,062,143	2,062,143	-	-	1,309,460	1,309,460	752,682
D	Non-Investment	8	-	-	104,694	104,694	-	-	45,541	45,541	59,153
			152,283,368	**-**	**2,166,836**	**154,450,204**	**270,122**	**-**	**1,355,001**	**1,625,123**	**152,825,081**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	943,876,884	-	-	943,876,884	-	-	-	-	943,876,884
A	Investment	2	4,507,012	-	-	4,507,012	1,800	-	-	1,800	4,505,212
BB	Standard	3	11,950,956	-	-	11,950,956	117,945	-	-	117,945	11,833,010
B	Non-Investment	4	10,227,833	-	-	10,227,833	71,625	-	-	71,625	10,156,208
CCC	Non-Investment	6	932,242	47,632	462,530	1,442,404	14,541	1,879	462,530	478,950	963,453
			971,494,926	**47,632**	**462,530**	**972,005,088**	**205,911**	**1,879**	**462,530**	**670,320**	**971,334,768**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2019	Fair Value December 2019
AAA	Investment	1	1,086,591,425	142,234,073
AA	Investment	2+	99,268,238	(708,705)
A	Investment	2	19,997,458	(440,107)
BBB	Investment	2-	44,251,600	(2,559,453)
BB+	Standard	3+	12,453,222	(210,513)
BB	Standard	3	19,386,411	(1,611,405)
BB-	Standard	3-	1,133,245	(67,118)
B	Non-Investment	4	25,529	(1,901)
Gross amount			**1,283,107,128**	**136,634,872**

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

Bank

December 2019

In thousands of Naira

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	971,147	-	-	971,147	5,395	-	-	5,395	965,752
BB	Standard	3	81,452,581	1,343,585	-	82,796,166	560,107	479,342	-	1,039,450	81,756,716
BB-	Standard	3-	1,895,304	299,693	-	2,194,998	67,312	163,204	-	230,517	1,964,481
B	Non-Investment	4	-	3,861,882	-	3,861,882	-	128,159	-	128,158	3,733,723
B-	Non-Investment	5	-	667,271	-	667,271	-	346,516	-	346,516	320,755
CCC	Non-Investment	6	-	-	3,364,354	3,364,354	-	-	1,827,819	1,827,819	1,536,535
C	Non-Investment	7	-	-	907,961	907,961	-	-	487,296	487,296	420,665
D	Non-Investment	8	-	-	1,252,455	1,252,455	-	-	711,793	711,793	540,662
Carrying amount			**84,319,031**	**6,172,430**	**5,524,769**	**96,016,230**	**632,815**	**1,117,221**	**3,026,908**	**4,776,945**	**91,239,288**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	141,904,070	-	-	141,904,070	18,603	-	-	18,603	141,885,468
AA	Investment	2+	283,074,454	37,790,380	-	320,864,834	1,181,275	1,932,467	-	3,113,742	317,751,091
A	Investment	2	125,402,954	38,680,332	-	164,083,286	60,667	1,464,687	-	1,525,354	162,557,931
BBB	Investment	2-	45,527,531	197,664,120	-	243,191,651	193,679	23,636,727	-	23,830,405	219,361,245
BB+	Standard	3+	250,663,351	63,236,897	-	313,900,248	1,215,134	2,543,566	-	3,758,700	310,141,548
BB	Standard	3	530,839,862	236,380,353	-	767,220,216	13,998,730	15,952,726	-	29,951,456	737,268,760
BB-	Standard	3-	84,144,148	106,106,427	-	190,250,574	1,720,078	14,352,436	-	16,072,515	174,178,060
B	Non-Investment	4	-	168,487,181	-	168,487,181	-	20,594,430	-	20,594,430	147,892,751
B-	Non-Investment	5	-	91,850,394	-	91,850,394	-	26,880,739	-	26,880,739	64,969,655
CCC	Non-Investment	6	-	-	33,482,272	33,482,271	-	-	11,792,061	11,792,061	21,690,210
C	Non-Investment	7	-	-	106,052,309	106,052,309	-	-	28,891,972	28,891,972	77,160,337
D	Non-Investment	8	-	-	25,319,822	25,319,822	-	-	9,792,498	9,792,498	15,527,323
			1,461,556,371	**940,196,081**	**164,854,403**	**2,566,606,855**	**18,388,168**	**107,357,780**	**50,476,533**	**176,222,477**	**2,390,384,381**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	162,786,158	-	-	162,786,158	6,532	-	-	6,532	162,779,626
A	Investment	2	821,994	-	-	821,994	454	-	-	454	821,540
CCC	Non-Investment	6	-	-	2,062,143	2,062,143	-	-	1,309,460	1,309,460	752,682
D	Non-Investment	8	-	-	104,694	104,694	-	-	45,541	45,541	59,152.89
			163,608,152	**-**	**2,166,837**	**165,774,989**	**6,986**	**-**	**1,355,001**	**1,361,987**	**164,413,000**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross a mount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	676,308,807	-	-	676,308,807			-	-	676,308,807
A	Investment	2	4,507,012	-	-	4,507,012	1,800		-	1,800	4,505,212
BB	Standard	3	8,628,462	-	-	8,628,462	45,525	-	-	45,525	8,582,937
B	Non-Investment	4	10,227,833	-	-	10,227,833	71,625	-	-	71,625	10,156,208
CCC	Non-Investment	6	932,242	47,632	462,530	1,442,404	14,541	1,879	462,530	478,950	963,453.24
			700,604,356	**47,632**	**462,530**	**701,114,518**	**133,491**	**1,879**	**462,530**	**597,900**	**700,516,618**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2019	Fair Value December 2019
AAA-A	Investment	1	986,475,815	123,561,874
A	Investment	2	133,011,795	(548,924)
AA	Investment	2+	58,724,417	(349,160)
BBB	Investment	2-	31,367,334	(1,987,313)
BBB-B	Non-Investment	5	-	-
Gross amount			**1,209,579,361**	**120,676,477**

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

5.1.3 Credit quality

(c) Credit quality by risk rating class

Group

In thousands of Naira

December 2018

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	431,105	-	-	431,105	12,222	-	-	12,222	418,883
BB	Standard	3	121,752,937	2,475,680	647,780	124,876,397	514,231	327,959	571,051	1,413,241	123,463,156
BB-	Standard	3-	-	326,408	-	326,408	-	53,488	-	53,488	272,920
B-	Non-Investment	5	-	239,261	179,446	418,707	-	108,888	217,777	326,665	92,042
CCC	Non-Investment	6	640,584	677	1,264,134	1,905,394	10,771	4	1,114,453	1,125,228	780,166
C	Non-Investment	7	4,856	-	247,783	252,639	57	-	218,444	218,501	34,138
D	Non-Investment	8	283,295	-	2,858,415	3,141,710	5,224	-	2,519,962	2,525,187	616,524
Carrying amount			**123,112,777**	**3,042,026**	**5,197,558**	**131,352,360**	**542,505**	**490,339**	**4,641,687**	**5,674,532**	**125,677,829**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	146,195,755	-	-	146,195,755	64,698	-	-	64,698	146,131,056
AA	Investment	2+	140,567,445	1,272,921	-	141,840,366	415,078	5,889	-	420,966	141,419,400
A	Investment	2	263,257,218	14,982,391	-	278,239,610	961,852	12,182	-	974,033	277,265,576
BBB	Investment	2-	60,079,747	1,205,895	-	61,285,642	393,005	14,590	-	407,595	60,878,047
BB+	Standard	3+	270,753,260	22,845,236	11,102	293,609,598	4,069,315	867,806	4,453	4,941,574	288,668,024
BB	Standard	3	534,527,347	145,590,344	305,092	680,422,783	16,313,434	8,939,063	65,167	25,317,664	655,105,119
BB-	Standard	3-	51,698,680	186,703,775	30,131	238,432,586	3,940,945	19,043,042	12,737	22,996,723	215,435,863
B	Non-Investment	4	-	13,245,972	-	13,245,972	-	1,838,325	-	1,838,325	11,407,647
B-	Non-Investment	5	-	47,343,193	11,023,881	58,367,074	-	9,582,433	5,226,645	14,809,078	43,557,996
CCC	Non-Investment	6	-	-	2,350,697	2,350,697	-	-	332,026	332,026	2,018,672
C	Non-Investment	7	-	-	26,301,429	26,301,429	-	-	6,962,736	6,962,736	19,338,693
D	Non-Investment	8	-	-	10,127,156	10,127,156	-	-	3,424,845	3,424,845	6,702,311
			1,467,079,452	**433,189,727**	**50,149,488**	**1,950,418,668**	**26,158,327**	**40,303,330**	**16,028,609**	**82,490,263**	**1,867,928,404**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	141,344,369	-	-	141,344,369	5,054	-	-	5,054	141,339,315
BB	Standard	3	1,122,915	-	-	1,122,915	30,124	-	-	30,124	1,092,791
C	Non-Investment	7	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	102,463	102,463	-	-	45,027	45,027	57,436
			142,467,284	**-**	**102,463**	**142,569,747**	**35,178**	**-**	**45,027**	**80,205**	**142,489,542**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	457,576,585	-	-	457,576,585	2,939	-	-	2,939	457,573,646
BB	Standard	3	-	345,791	-	345,791	-	16,105	-	16,105	329,686
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
			457,576,585	**345,791**	**-**	**457,922,376**	**2,939**	**16,105**	**-**	**19,044**	**457,903,332**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2018	Fair Value December 2018
AAA-A	Investment	1	719,990,419	127,782,208
A	Investment	2	-	-
AA	Investment	2+	101,821,786	(1,727,969)
BBB	Investment	2-	113,437,240	(2,819,899)
Gross amount			**935,249,445**	**123,234,340**

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

Bank

December 2018

In thousands of Naira

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	431,105	-	-	431,105	12,222	-	-	12,222	418,883
BB	Standard	3	28,149,571	2,475,680	647,780	31,273,031	432,565	327,959	571,051	1,331,575	29,941,455
BB-	Standard	3-	-	326,408	-	326,408	-	53,488	-	53,488	272,920
CCC	Non-Investment	6	640,584	677	1,264,134	1,905,395	10,771	4	1,114,453	1,125,228	780,167
C	Non-Investment	7	4,856	-	247,783	252,639	57	-	218,444	218,501	34,138
D	Non-Investment	8	283,295	-	2,858,415	3,141,710	5,224	-	2,519,962	2,525,186	616,524
Carrying amount			**29,509,411**	**2,802,765**	**5,018,112**	**37,330,288**	**460,839**	**381,451**	**4,423,910**	**5,266,200**	**32,064,087**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	146,195,755	-	-	146,195,755	64,698	-	-	64,698	146,131,056
AA	Investment	2+	140,567,445	1,272,921	-	141,840,366	415,078	5,889	-	420,967	141,419,400
A	Investment	2	181,913,265	14,982,391	-	196,895,656	433,743	12,182	-	445,925	196,449,732
BBB	Investment	2-	60,079,747	1,205,895	-	61,285,642	393,005	14,590	-	407,595	60,878,047
BB+	Standard	3+	270,753,260	22,845,236	11,102	293,609,598	4,069,315	867,806	4,453	4,941,574	288,668,024
BB	Standard	3	412,882,548	145,590,344	305,092	558,777,984	14,200,998	8,939,063	65,167	23,205,228	535,572,756
BB-	Standard	3-	51,698,680	186,703,775	30,131	238,432,586	3,940,945	19,043,042	12,737	22,996,724	215,435,863
B	Non-Investment	4	-	13,245,972	-	13,245,972	-	1,838,325	-	1,838,325	11,407,647
B-	Non-Investment	5	-	32,644,686	-	32,644,686	-	6,969,111	-	6,969,111	25,675,575
CCC	Non-Investment	6	-	-	2,350,697	2,350,697	-	-	332,026	332,026	2,018,672
C	Non-Investment	7	-	-	26,301,429	26,301,429	-	-	6,962,736	6,962,736	19,338,693
D	Non-Investment	8	-	-	10,127,156	10,127,156	-	-	3,424,845	3,424,845	6,702,311
			1,264,090,700	**418,491,220**	**39,125,607**	**1,721,707,527**	**23,517,782**	**37,690,008**	**10,801,964**	**72,009,754**	**1,649,697,777**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	99,847,929	-	-	99,847,929	-	-	-	-	99,847,929
BB	Standard	3	1,122,915	-	-	1,122,915	30,124	-	-	30,124	1,092,791
C	Non-Investment	7	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	102,463	102,463	-	-	45,026	45,026	57,436.80
			100,970,844	**-**	**102,463**	**101,073,307**	**30,124**	**-**	**45,026**	**75,150**	**100,998,157**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	258,253,539	-	-	258,253,539	2,939	-	-	2,939	258,250,600
BB	Standard	3	-	345,791	-	345,791	-	16,105	-	16,105	329,686
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
			258,253,539	**345,791**	**-**	**258,599,330**	**2,939**	**16,105**	**-**	**19,044**	**258,580,286**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2018	Fair Value December 2018
AAA-A	Investment	1	719,990,419	127,782,208
A	Investment	2	-	-
AA	Investment	2+	101,821,786	(1,727,969)
BBB	Investment	2-	42,734,906	(3,106,321)
Gross amount			**864,547,112**	**122,947,918**

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

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

Group

In thousands of Naira

December 2019	**Total**	**Grade 1-3**	**Grade 4-5**	**Grade 6**	**Grade 7**	**Grade 8**
Cash and balances with banks						
Current balances with banks	483,040,381	483,040,381	-	-	-	-
Unrestricted balances with central banks	117,883,814	117,883,814	-	-	-	-
Money market placements	48,838,459	48,838,459				
Other deposits with central banks	99,347,553	99,347,553				
Investment under management	28,291,959	28,291,959	-	-	-	-
Non-pledged trading assets						
Treasury bills	89,797,961	89,797,961	-	-	-	-
Bonds	40,021,277	40,021,277	-	-	-	-
Derivative financial instruments	143,520,553	143,520,553	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	30,388,532	30,388,532	-	-	-	-
Bonds	-	-				
-Financial instruments at amortized cost						
Treasury bills	452,686,283	452,686,283	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
Treasury bills	232,813,374	232,813,374	-	-	-	-
Bonds	81,977,676	81,977,676	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	2,727,258	2,727,258	-	-	-	-
Bonds	6,240,386	6,240,386	-	-	-	-
Restricted deposit and other assets	1,016,582,843	1,016,582,843	-	-	-	-
	2,996,639,386	**2,996,639,386**	**-**	**-**	**-**	**-**

The rating here represents the staging for the loans. The stages are as categorized below;

Grade 1-3: Stage 1

Grade 4-5: Stage 2

Grade 6-7: Stage 3

All the financial assets as categorized above are all grouped into stage 1

Group

In thousands of Naira

December 2018	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	282,044,974	282,044,974	-	-	-	-
Unrestricted balances with central banks	29,366,693	29,366,693	-	-	-	-
Money market placements	220,309,727	220,309,727				
Other deposits with central banks	77,024,474	77,024,474				
Investment under management	23,839,395	23,839,395	-	-	-	-
Non-pledged trading assets						
Treasury bills	38,465,116	38,465,116	-	-	-	-
Bonds	292,684	292,684	-	-	-	-
Derivative financial instruments	128,440,342	128,440,342	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI						
Treasury bills	170,118,776	170,118,776	-	-	-	-
Bonds	10,000,146	10,000,146	-	-	-	-
-Financial instruments at amortized cost						
Treasury bills	192,208,928	192,208,928				
Bonds	162,033,050	162,033,050				
-Financial instruments at FVPL						
Treasury bills	18,361,112	18,361,112				
Bonds	1,330,944	1,330,944				
Investment securities						
- Financial assets at FVOCI						
Treasury bills	195,218,225	195,218,225	-	-	-	-
Bonds	44,791,006	44,791,006	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	4,812,950	4,812,950	-	-	-	-
Bonds	84,247,333	84,247,333	-	-	-	-
Restricted deposit and other assets	683,991,854	683,991,854	-	-	-	-
	2,366,897,729	**2,366,897,729**	**-**	**-**	**-**	**-**

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

Bank

In thousands of Naira

December 2019	**Total**	**Grade 1-3**	**Grade 4-5**	**Grade 6**	**Grade 7**	**Grade 8**
Cash and balances with banks						
Current balances with banks	321,270,808	321,270,808	-	-	-	-
Unrestricted balances with central banks	97,734,073	97,734,073	-	-	-	-
Money market placements	32,822,516	32,822,516	-	-	-	-
Other deposits with central banks	99,347,553	99,347,553	-	-	-	-
Investment under management	28,291,959	28,291,959	-	-	-	-
Non-pledged trading assets						
Treasury bills	74,749,344	74,749,344	-	-	-	-
Bonds	2,222,417	2,222,417	-	-	-	-
Derivative financial instruments	143,480,073	143,480,073	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	30,388,532	30,388,532	-	-	-	-
Bonds	-	-				
-Financial instruments at amortized cost						
Treasury bills	452,686,282	452,686,282	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
- Financial assets at FVOCI						
Treasury bills	77,897,548	77,897,548	-	-	-	-
Bonds	18,950,446	18,950,446	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	341,786,029	341,786,029	-	-	-	-
Bonds	250,828,832	250,828,832	-	-	-	-
Restricted deposit and other assets	968,698,629	968,698,629	-	-	-	-
	3,063,636,118	**3,063,636,118**	**-**	**-**	**-**	**-**

The rating here represents the staging for the loans. The stages are as categorized below;

Grade 1-3: Stage 1

Grade 4-5: Stage 2

Grade 6-7: Stage 3

All the financial assets as categorized above are all grouped into stage 1

Bank

In thousands of Naira

December 2018	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	111,750,907	111,750,907	-	-	-	-
Unrestricted balances with central banks	6,759,948	6,759,948	-	-	-	-
Money market placements	46,392,634	46,392,634	-	-	-	-
Other deposits with central banks	77,024,474	77,024,474	-	-	-	-
Investment under management	23,839,394	23,839,394	-	-	-	-
Non-pledged trading assets						
Treasury bills	36,230,640	36,230,640	-	-	-	-
Bonds	291,070	291,070	-	-	-	-
Derivative financial instruments	128,133,789	128,133,789	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI						
Treasury bills	170,118,776	170,118,776	-	-	-	-
Bonds	10,000,146	10,000,146	-	-	-	-
-Financial instruments at amortized cost						
Treasury bills	192,208,928	192,208,928	-	-	-	-
Bonds	162,033,050	162,033,050	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	18,361,112	18,361,112	-	-	-	-
Bonds	1,330,944	1,330,944	-	-	-	-
Investment securities						
- Financial assets at FVOCI						
Treasury bills	48,881,703	48,881,703	-	-	-	-
Bonds	15,090,313	15,090,313	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	60,166,222	60,166,222	-	-	-	-
Bonds	25,588,823	25,588,823	-	-	-	-
Restricted deposit and other assets	610,904,300	610,904,300	-	-	-	-
	1,745,107,173	**1,745,107,173**	**-**	**-**	**-**	**-**

5.1.3 Credit quality

(e) Credit quality by staging

Group

In thousands of Naira

December 2019

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	14,316,084	312,659	24,650	14,653,393	12,890	12,595	12,928	38,412	14,614,981
Credit Card	18,246,614	616,290	151,645	19,014,547	40,847	77,582	82,505	200,933	18,813,614
Finance Lease	173,316	12,214	1,366	186,896	202	399	639	1,240	185,656
Mortgage Loan	80,814,481	619,210	380,590	81,814,281	68,299	222,505	207,101	497,905	81,316,376
Overdraft	14,442,712	519,356	3,683,640	18,645,708	266,115	241,065	1,990,087	2,497,267	16,148,442
Personal Loan	51,880,685	153,300	906,662	52,940,646	140,312	28,017	499,391	667,720	52,272,926
Term Loan	12,777,477	2,719,316	239,994	15,736,788	135,264	502,383	190,850	828,497	14,908,291
Time Loan	4,859,951	1,402,215	591,548	6,853,714	48,794	139,221	256,496	444,510	6,409,203
	197,511,320	**6,354,558**	**5,980,095**	**209,845,973**	**712,722**	**1,223,766**	**3,239,997**	**5,176,485**	**204,669,489**

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,896,828	250,665	55,512	3,203,006	26,672	4,766	7,040	38,477	3,164,528
Credit Card	238,656	24,731	61,807	325,196	2,459	1,568	23,792	27,819	297,377
Finance Lease	4,357,320	340,259	262,405	4,959,983	79,685	13,288	108,492	201,465	4,758,518
Mortgage Loan	60,974,410	24,738	61,844	61,060,992	464,114	10,228	20,457	494,799	60,566,193
Overdraft	121,894,817	87,449,620	71,738,703	281,083,142	1,888,438	5,194,640	25,574,903	32,657,981	248,425,160
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,253,280,533	822,442,191	93,801,086	2,169,523,811	9,136,899	102,028,690	27,294,139	138,459,728	2,031,064,083
Time Loan	322,785,856	35,848,324	14,334,162	372,968,343	9,110,469	2,661,667	2,561,847	14,333,984	358,634,360
	1,766,428,423	**946,380,528**	**180,315,519**	**2,893,124,473**	**20,708,735**	**109,914,846**	**55,590,668**	**186,214,253**	**2,706,910,219**

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	821,994	-	104,694	926,688	454	-	45,541	45,995	880,693
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	151,461,374	-	2,062,142	153,523,516	269,668	-	1,309,460	1,579,128	151,944,387
	152,283,368	**-**	**2,166,836**	**154,450,204**	**270,122**	**-**	**1,355,001**	**1,625,123**	**152,825,080**

The stage 3 exposures that have nill impairment for the year is an amount of N3.02Bn for the Group (Dec 2018: N53.7Mn). The impairment is nil for these category of loans because of the adequate coverage offered by the collateral.

Bank

In thousands of Naira

December 2019

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,996,855	312,477	24,195	3,333,527	4,900	12,488	12,715	30,102	3,303,425
Credit Card	16,548,729	615,926	150,734	17,315,389	39,649	77,369	82,078	199,096	17,116,293
Finance Lease	60,124	11,667	-	71,791	122	79	-	201	71,590
Mortgage Loan	1,579,880	618,482	378,768	2,577,130	12,363	222,078	206,249	440,692	2,136,439
Overdraft	13,933,346	517,535	3,679,087	18,129,969	265,755	240,000	1,987,956	2,493,711	15,636,259
Personal Loan	33,769,919	149,658	897,555	34,817,131	127,527	25,886	495,129	648,542	34,168,589
Term Loan	11,758,747	2,716,584	233,165	14,708,495	134,544	500,785	187,654	822,983	13,885,512
Time Loan	3,671,432	1,230,102	161,265	5,062,800	47,955	38,536	55,127	141,618	4,921,182
	84,319,032	**6,172,430**	**5,524,770**	**96,016,233**	**632,816**	**1,117,220**	**3,026,907**	**4,776,944**	**91,239,289**

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,896,828	250,665	55,512	3,203,006	26,672	4,766	7,040	38,477	3,164,528
Credit Card	238,351	24,731	61,807	324,891	2,457	1,568	23,792	27,817	297,074
Finance Lease	4,052,448	321,706	216,022	4,590,176	77,365	5,617	93,149	176,130	4,414,046
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	103,602,494	87,387,776	71,584,092	262,574,362	1,749,204	5,169,070	25,523,762	32,442,035	230,132,327
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,037,126,554	816,455,647	78,834,725	1,932,416,926	7,491,618	99,553,447	22,343,654	129,388,718	1,803,028,208
Time Loan	313,639,695	35,755,557	14,102,245	363,497,497	9,040,852	2,623,311	2,485,135	14,149,297	349,348,200
	1,461,556,370	**940,196,085**	**164,854,404**	**2,566,606,857**	**18,388,166**	**107,357,777**	**50,476,531**	**176,222,475**	**2,390,384,382**

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	821,994	-	104,694	926,688	454	-	45,541	45,995	880,693
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	162,786,158	-	2,062,143	164,848,300	6,532	-	1,309,460	1,315,992	163,532,308
	163,608,152	**-**	**2,166,836**	**165,774,988**	**6,986**	**-**	**1,355,001**	**1,361,986**	**164,413,001**

The stage 3 exposures that have nil impairment for the year is an amount of N3.02Bn for the Bank (Dec 2018: N53.7Mn). The impairment is nil for these category of loans because of the adequate coverage offered by the collateral.

5.1.3 Credit quality

(e) Credit quality by staging

Group

In thousands of Naira

December 2018

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	11,757,962	5,403	85,028	11,848,394	63,191	155	75,020	138,367	11,710,027
Credit Card	4,851,771	299,534	417,415	5,568,719	66,204	58,961	368,110	493,275	5,075,444
Finance Lease	94,152	718	538	95,408	84	327	653	1,064	94,344
Mortgage Loan	69,053,041	437,916	348,953	69,839,910	140,892	87,168	307,874	535,934	69,303,976
Overdraft	1,702,020	342,025	1,692,866	3,736,911	24,543	64,732	1,493,017	1,582,292	2,154,619
Personal Loan	33,242,015	1,634,898	2,309,996	37,186,909	239,180	174,058	2,037,671	2,450,909	34,736,000
Term Loan	842,923	3,589	2,755	849,267	751	1,633	3,295	5,679	843,588
Time Loan	1,568,894	317,943	340,004	2,226,841	7,661	103,304	356,047	467,012	1,759,829
	123,112,778	**3,042,026**	**5,197,555**	**131,352,359**	**542,506**	**490,338**	**4,641,687**	**5,674,532**	**125,677,827**

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	3,647,011	281,257	141,190	4,069,458	75,435	11,176	51,007	137,618	3,931,840
Credit Card	262,876	1,561	170,275	434,712	8,575	142	70,165	78,882	355,830
Finance Lease	802,504	96,982	306,551	1,206,037	4,690	10,773	134,227	149,690	1,056,347
Mortgage Loan	45,309,368	1,645,297	44,096	46,998,760	669,600	53,367	20,907	743,874	46,254,886
Overdraft	98,896,916	23,407,074	20,612,686	142,916,676	2,898,252	2,794,413	6,564,709	12,257,374	130,659,302
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,084,877,935	311,738,401	22,646,581	1,419,262,917	20,197,587	35,850,948	7,803,012	63,851,547	1,355,411,370
Time Loan	233,282,842	96,019,157	6,228,109	335,530,108	2,304,186	1,582,509	1,384,582	5,271,277	330,258,831
	1,467,079,452	433,189,729	50,149,488	1,950,418,668	26,158,326	40,303,328	16,028,609	82,490,262	1,867,928,406

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	853	-	-	853	-	-	-	-	853
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	1,122,062	-	102,463	1,224,525	30,124	-	45,026	75,150	1,149,375
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	141,344,369	-	-	141,344,369	5,054	-	-	5,054	141,339,315
	142,467,284	-	102,463	142,569,747	35,178	-	45,026	80,204	142,489,543

Bank

In thousands of Naira

December 2018

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,397,626	5,164	84,848	2,487,638	55,025	46	74,802	129,873	2,357,765
Credit Card	3,447,720	299,055	417,057	4,163,832	64,979	58,744	367,675	491,398	3,672,435
Finance Lease	549	-	-	549	2	-	-	2	547
Mortgage Loan	3,530,684	436,959	348,236	4,315,879	83,726	86,732	307,003	477,461	3,838,418
Overdraft	1,280,804	339,633	1,691,072	3,311,509	24,176	63,643	1,490,839	1,578,658	1,732,851
Personal Loan	18,265,476	1,630,113	2,306,407	22,201,996	226,113	171,880	2,033,316	2,431,309	19,770,687
Term Loan	492	-	63	556	16	-	28	44	512
Time Loan	586,058	91,841	170,428	848,327	6,803	405	150,248	157,456	690,871
	29,509,410	2,802,764	5,018,112	37,330,286	460,840	381,450	4,423,911	5,266,201	32,064,085

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	3,647,012	281,257	141,190	4,069,459	75,435	11,177	51,007	137,619	3,931,840
Credit Card	262,673	1,562	170,275	434,510	8,572	142	70,165	78,879	355,629
Finance Lease	599,514	52,887	273,480	925,881	2,050	2,933	118,547	123,530	802,351
Mortgage Loan	4,711,617	1,586,503	-	6,298,120	141,492	42,913	-	184,405	6,113,715
Overdraft	86,717,590	23,260,089	20,502,448	130,480,127	2,739,819	2,768,280	6,512,443	12,020,542	118,459,585
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	940,959,113	297,510,246	11,975,464	1,250,444,823	18,325,443	33,321,252	2,743,619	54,390,315	1,196,054,508
Time Loan	227,193,180	95,798,679	6,062,750	329,054,609	2,224,969	1,543,309	1,306,182	5,074,460	323,980,149
	1,264,090,700	418,491,222	39,125,607	1,721,707,527	23,517,780	37,690,005	10,801,962	72,009,750	1,649,697,777

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	853	-	-	853	-	-	-	-	853
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	1,122,062	-	102,463	1,224,526	30,124	-	45,026	75,151	1,149,374
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	99,847,929	-	-	99,847,929	5,054	-	-	5,054	99,842,875
	100,970,844	-	102,463	101,073,308	35,178	-	45,026	80,205	100,993,102

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

Group

In thousands of Naira		December 2019	
	Level 1	**Level 2**	**Level 3**
Stage 1			
Property	-	-	5,367,944,780
Equities	-	64,881,768	-
Cash	854,826,365	-	-
Pledged goods/receivables	-	-	-
Others	-	-	2,305,519,145
Total	**854,826,365**	**64,881,768**	**7,673,463,924**
Stage 2			
Property	-	-	1,065,271,338
Equities	-	19,845,457	-
Cash	2,268,500	-	-
Pledged goods/receivables	-	-	-
Others	-	-	1,573,540,291
Total	**2,268,500**	**19,845,457**	**2,638,811,629**
Stage 3			
Property	-	-	91,527,154
Equities	163,467	-	-
Cash	-	-	-
Pledged goods/receivables	-	-	-
[1]Others	-	-	260,045,963
	163,467	**-**	**351,573,117**
Total	**857,258,332**	**84,727,225**	**10,663,848,670**

Bank

In thousands of Naira		December 2019	
	Level 1	**Leve1 2**	**Level 3**
Stage 1			
Property	-	-	2,933,303,158
Equities	-	38,851,358	-
Cash	743,327,274	-	-
Pledged goods/receivables	-	-	-
Others	-	-	1,921,265,954
Total	**743,327,274**	**38,851,358**	**4,854,569,112**

Stage 2			
Property	-	-	887,726,116
Equities	-	16,537,881	-
Cash	1,890,416	-	-
Pledged goods/receivables	-	-	-
Others	-	-	1,311,283,576
Total	**1,890,416**	**16,537,881**	**2,199,009,692**
Stage 3			
Property	-	-	68,817,409
Equities	121,086	-	-
Cash	-	-	-
Pledged goods/receivables	-	-	-
[1]Others	-	-	203,160,909
	121,086	**-**	**271,978,318**
Total	**745,338,776**	**55,389,239**	**7,325,557,122**

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

Collateral held and other credit enhancements, and their financial effect

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

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

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

(g)

Group		**December 2018**	
In thousands of Naira			
	Level 1	**Level 2**	**Level 3**
Stage 1			
Property	-	-	1,311,767,967
Equities	11,002,620	2,750,655	-
Cash	241,577,956	-	-
Pledged goods/receivables	-	-	114,327,462
Others	-	-	1,136,455,337
Total	**252,580,576**	**2,750,655**	**2,562,550,766**
Stage 2			
Property	-	-	192,779,671
Equities	585,880	878,439	-
Cash	22,692,461	-	-
Pledged goods/receivables	-	-	6,864,420
Others	-	-	172,446,878
Total	**23,278,341**	**878,439**	**372,090,969**
Stage 3			
Property	-	-	25,623,713
Equities	240	126,400	-
Cash	6,009,337	-	-
Pledged goods/receivables	-	-	467,076
Others	-	-	15,799,898
	6,009,577	**126,400**	**41,890,687**
Total	**281,868,494**	**3,755,494**	**2,976,532,422**

Bank		**December 2018**	
In thousands of Naira			
	Level 1	**Leve1 2**	**Level 3**
Stage 1			
Property	-	-	1,061,929,679
Equities	2,417,806	6,138,043	-
Cash	199,298,100	-	-
Pledged goods/receivables	-	-	114,327,462
Others	-	-	1,012,262,723
Total	**201,715,906**	**6,138,043**	**2,188,519,864**

Stage 2			
Property	-	-	185,864,975
Equities	585,880	878,439	-
Cash	22,692,461	-	-
Pledged goods/receivables	-	-	6,864,420
Others	-	-	171,750,065
Total	**23,278,341**	**878,439**	**364,479,460**
Stage 3			
Property	-	-	25,623,713
Equities	240	126,400	-
Cash	6,009,337	-	-
Pledged goods/receivables	-	-	467,076
[1] Others	-	-	15,799,898
	6,009,577	**126,400**	**41,890,687**
Total	**231,003,824**	**7,142,882**	**2,594,890,011**

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

Collateral held and other credit enhancements, and their financial effect

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

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

5.1.4 Offsetting financial assets and financial liabilities

As at December 2019

In thousands of Naira

The following financial assets are subject to offsetting	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
Financial assets			
Loans and advances to banks	152,825,081	-	152,825,081
Total	**152,825,081**	**-**	**152,825,081**

As at December 2019

Financial liabilities			
Interest bearing borrowing	586,602,830	-	586,602,830
Total	**586,602,830**	**-**	**586,602,830**

As at December 2018

In thousands of Naira

The following financial assets are subject to offsetting	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
Financial assets			
Loans and advances to banks	142,489,543	-	142,489,543
Total	**142,489,543**	**-**	**142,489,543**

As at December 2018

Financial liabilities			
Interest bearing borrowing	388,416,735	-	388,416,734
Total	**388,416,735**	**-**	**388,416,734**

5.1.5 (a) Credit concentration

The Group's risk profile is assessed through a 'bottom-up' analytical approach covering all of the Group's major businesses and products. The risk appetite is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix.

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of net credit risk at the reporting date is shown below:

Group

By Sector

December 2019

In thousands of Naira	**Corporate**	**Commercial**	**Bank**	**Retail**	**Government**	**Others**	**Total**
Cash and balances with banks	-	-	688,825,534	-	-	-	688,825,534
Investment under management	4,280,814	-	9,287,366	-	14,723,779	-	28,291,959
Non pledged trading assets							
Treasury bills	-	-	-	-	38,465,116	-	38,465,116
Bonds	-	-	-	-	292,684	-	292,684
Equity	-	-	-	-	-	-	-
Derivative financial instruments	5,369,777	6,966,273	418,058	979,371	122,901,393	-	136,634,872
Loans and advances to banks	-	-	152,825,081	-	-	-	152,825,081
Loans and advances to customers							
Auto Loan	315,262	2,849,266	-	14,614,980	-	-	17,779,508
Credit Card	32,444	264,932	-	18,813,614	-	-	19,110,990
Finance Lease	249,572	4,508,948	-	185,656	-	-	4,944,176
Mortgage Loan	-	60,566,194	-	81,316,376	-	-	141,882,570
Overdraft	39,758,235	208,666,924	-	16,148,442	-	-	264,573,601
Personal Loan	-	-	-	52,272,927	-	-	52,272,927
Term Loan	927,007,334	881,799,066	-	14,908,291	222,257,683	-	2,045,972,374
Time Loan	165,427,684	193,206,676	-	6,409,203	-	-	365,043,563

Pledged assets							
Treasury bills	-	-	-	-	522,956,307	-	522,956,307
Bonds	-	-	-	-	82,599,583	-	82,599,583
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	232,814,072	-	232,814,072
Bonds	7,815,595	-	2,860,694	-	71,301,387	-	81,977,676
-Financial assets at amortised cost						-	
Treasury bills	-	-	-	-	379,283,381	-	379,283,381
Bonds	510,162	-	1,394,042	-	264,374,793	-	266,278,997
Promissory Notes	-	-	-	-	10,844,042	-	10,844,042
Restricted deposit and other assets	51,233,895	4,735,470	90,894,147	9,521,376	4,310,294	6,301,150	166,996,332
Total	**1,202,000,774**	**1,363,563,749**	**946,504,922**	**215,170,236**	**1,967,124,514**	**6,301,150**	**5,700,665,345**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	220,829,106	261,845,451	32,371,788	16,930,319	-	-	531,976,664
Clean line facilities for letters of credit and other commitments	54,219,348	251,825,740	6,145,195	20,637,274	-	-	332,827,557
	-	-	-	-	-	-	-
Total	**275,048,454**	**513,671,191**	**38,516,983**	**37,567,593**	**-**	**-**	**864,804,221**

Group

By Sector

December 2018 In thousands of Naira	**Corporate**	**Commercial**	**Bank**	**Retail**	**Government**	**Others**	**Total**
Cash and balances with banks	-	-	791,239,520	-	-	-	791,239,520
Investment under management	5,862,614	-	9,780,747	-	8,196,034	-	23,839,395
Non pledged trading assets							
Treasury bills	-	-	-	-	38,465,116	-	38,465,116
Bonds	-	-	-	-	292,684	-	292,684
Equity	59,348	-	-	-	-	-	59,348
Derivative financial instruments	7,700,332	7,916,079	41,407,018	368,881	65,842,031	-	123,234,341
Loans and advances to banks	-	-	142,489,543	-	-	-	142,489,543
Loans and advances to customers							
Auto Loan	585,845	3,345,995	-	11,710,027	-	-	15,641,867
Credit Card	35,254	320,576	-	5,075,444	-	-	5,431,274
Finance Lease	229,835	826,512	-	94,344	-	-	1,150,691
Mortgage Loan	2,048,253	44,206,633	-	69,303,976	-	-	115,558,862
Overdraft	53,477,867	77,181,435	-	2,154,619	-	-	132,813,921
Personal Loan	-	-	-	34,736,000	-	-	34,736,000
Term Loan	504,604,802	620,337,486	-	843,588	230,469,082	-	1,356,254,958
Time Loan	134,365,585	195,893,247	-	1,759,829	-	-	332,018,661
Pledged assets							
Treasury bills	-	-	-	-	380,688,816	-	380,688,816
Bonds	-	-	-	-	173,364,139	-	173,364,139
Investment securities							
-Financial assets at FVOCI							

Treasury bills	-	-	-	-	195,218,225	-	195,218,225
Bonds	6,855,934	-	6,791	-	37,928,280	-	44,791,005
-Financial assets at amortised cost						-	
Treasury bills	-	-	-	-	102,564,048	-	102,564,048
Bonds	462,530	-	2,610,861	-	46,023,605	-	49,096,996
Restricted deposit and other assets	43,171,304	3,130,344	565,137,439	15,971,907	2,639,227	3,628,475	633,678,696
Total	**759,459,501**	**953,158,307**	**1,552,671,919**	**142,018,615**	**1,281,691,287**	**3,628,475**	**4,692,628,106**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	265,713,372	150,756,752	1,495,050	34,118,366	-	-	452,083,540
Clean line facilities for letters of credit and other commitments	160,317,004	107,309,491	59,043	40,076,129	-	-	307,761,667
	-	-	-	-	-	-	
Total	**426,030,376**	**258,066,243**	**1,554,093**	**74,194,495**	**-**	**-**	**759,845,207**

5.1.5(a)i Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.

By geography

Group

December 2019	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
In thousands of Naira					
Cash and balances with banks	373,524,816	94,581,401	220,719,318	-	688,825,535
Investment under management	9,225,166	6,849,720	12,217,073	-	28,291,959
Non pledged trading assets					
Treasury bills	74,749,344	15,048,617	-	-	89,797,961
Bonds	2,222,417	37,798,860	-	-	40,021,277
Equity	-	-	-	-	-
Derivative financial instruments	126,909,010	1,585,977	6,826,720	1,313,164	136,634,871
Loans and advances to banks	695,095	-	152,129,985	-	152,825,081
Loans and advances to customers					
Auto Loan	6,467,952	11,311,556	-	-	17,779,508
Credit Card	17,413,366	1,697,624	-	-	19,110,990
Finance Lease	4,485,635	458,540	-	-	4,944,175
Mortgage Loan	2,136,440	118,972,854	20,773,276	-	141,882,570
Overdraft	245,768,584	7,217,096	-	-	252,985,680
Personal Loan	34,168,590	18,104,337	-	-	52,272,927
Term Loan	1,816,913,719	221,989,758	7,068,897	-	2,045,972,374
Time Loan	354,269,381	22,362,102	-	-	376,631,483
Pledged assets					
Treasury bills	522,956,307	-	-	-	522,956,307
Bonds	82,599,583	-	-	-	82,599,583
Investment securities					
-Financial assets at FVOCI					
Treasury bills	77,898,247	154,915,826	-	-	232,814,073

Bonds	11,134,851	67,982,131	2,860,694	-	81,977,676
Promissory Notes	807,619	-	-	-	807,619
-Financial assets at amortised cost					
Treasury bills	341,786,029	37,497,352	-	-	379,283,381
Bonds	249,386,429	15,498,526	1,394,042	-	266,278,997
Promissory Notes	10,844,042	-	-	-	10,844,042
Restricted deposit and other assets	140,893,166	22,911,937	2,205,151	986,078	166,996,332
Total	**4,507,255,788**	**856,784,214**	**426,195,156**	**2,299,242**	**5,792,534,401**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	451,514,549	80,462,115	-	-	531,976,664
Clean line facilities for letters of credit and other commitments	324,529,363	8,298,194	-	-	332,827,557
Total	**776,043,912**	**88,760,309**	**-**	**-**	**864,804,221**

By geography

Group

December 2018	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
In thousands of Naira					
Cash and balances with banks	265,507,384	246,497,311	270,780,725	8,454,101	791,239,521
Investment under management	23,839,395	-	-	-	23,839,395
Non pledged trading assets					
Treasury bills	36,230,640	2,234,476	-	-	38,465,116
Bonds	291,070	1,614	-	-	292,684
Equity	59,348	-	-	-	59,348
Derivative financial instruments	121,866,473	575,813	450,449	341,606	123,234,341
Loans and advances to banks	1,150,228	-	141,339,315	-	142,489,543
Loans and advances to customers					
Auto Loan	6,289,605	9,352,262	-	-	15,641,867
Credit Card	4,028,064	1,403,210	-	-	5,431,274
Finance Lease	802,898	347,793	-	-	1,150,691
Mortgage Loan	9,952,132	3,168,202	102,438,528	-	115,558,862
Overdraft	120,192,436	12,621,485	-	-	132,813,921
Personal Loan	19,770,687	14,965,313	-	-	34,736,000
Term Loan	1,196,055,020	160,199,938	-	-	1,356,254,958
Time Loan	324,671,020	7,347,640	-	-	332,018,660
Pledged assets					
Treasury bills	380,688,816	-	-	-	380,688,816
Bonds	173,364,139	-	-	-	173,364,139
Investment securities					
-Financial assets at FVOCI					
Treasury bills	195,218,225	-	-	-	195,218,225
Bonds	44,784,214	-	6,791	-	44,791,005

-Financial assets at amortised cost					
Treasury bills	102,564,048	-	-	-	102,564,048
Bonds	46,486,135	-	2,610,861	-	49,096,996
Restricted deposit and other assets	557,598,279	18,236,004	57,201,787	642,626	633,678,696
Total	**3,631,410,256**	**476,951,061**	**574,828,455**	**9,438,333**	**4,692,628,106**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	358,862,448	91,320,079	1,901,013	-	452,083,540
Clean line facilities for letters of credit and other commitments	205,997,841	3,625,760	98,138,065	-	307,761,666
Total	**564,860,289**	**94,945,839**	**100,039,078**	**-**	**759,845,206**

Credit risk management

5.1.5 (b) By Sector

Bank

December 2019

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	539,419,445	-	-	-	539,419,445
Investment under management	4,280,814	-	9,287,366	-	14,723,779	-	28,291,959
Non pledged trading assets							
Treasury bills	-	-	-	-	74,749,344	-	74,749,344
Bonds	-	-	-	-	2,222,417	-	2,222,417
Equity	-	-	-	-	-	-	-
Derivative financial instruments	5,387,684	6,966,273	418,058	979,371	122,901,393	-	136,652,779
Loans and advances to banks	-	-	164,413,001	-	-	-	164,413,001
Loans and advances to customers	-	-	-				
Auto Loan	315,262	2,849,266	-	3,303,424	-	-	6,467,952
Credit Card	32,444	264,629	-	17,116,293	-	-	17,413,366
Finance Lease	119,311	4,294,734	-	71,590	-	-	4,485,635
Mortgage Loan	-	-	-	2,136,440	-	-	2,136,440
Overdraft	32,840,943	197,291,384	-	15,636,258	-	-	245,768,585
Personal Loan	-	-	-	34,168,590	-	-	34,168,590
Term Loan	840,777,349	765,575,104	-	13,885,512	196,675,754	-	1,816,913,719
Time Loan	161,916,195	187,432,005	-	4,921,181	-	-	354,269,381
Pledged assets							
Treasury bills	-	-	-	-	522,956,307	-	522,956,307
Bonds	-	-	-	-	82,599,583	-	82,599,583
Investment securities							

-Financial assets at FVOCI							
Treasury bills	-	-	-	-	77,898,247	-	77,898,247
Bonds	7,815,595	-	-	-	11,134,851	-	18,950,446
Promissory Notes	-	-	-	-	807,619	-	807,619
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	341,786,029	-	341,786,029
Bonds	510,162	-	932,242	-	249,386,429	-	250,828,833
Promissory Notes	-	-	-	-	10,844,042	-	10,844,042
Restricted deposit and other assets	50,763,617	4,735,470	84,133,540	9,218,095	4,294,795	4,360,143	157,505,660
Total	**1,104,759,376**	**1,169,408,865**	**798,603,652**	**101,436,754**	**1,712,980,589**	**4,360,143**	**4,891,549,379**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	142,525,058	261,147,307	32,371,788	15,470,396	-	-	451,514,549
Clean line facilities for letters of credit and other commitments	54,219,348	243,527,547	6,145,195	20,637,274	-	-	324,529,364
Total	**196,744,406**	**504,674,854**	**38,516,983**	**36,107,670**	**-**	**-**	**776,043,913**

By Sector

Bank

December 2018

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	388,603,070	-	-	-	388,603,070
Investment under management	5,862,614	-	9,780,747	-	8,196,034	-	23,839,395
Non pledged trading assets							
Treasury bills	-	-	-	-	36,230,640	-	36,230,640
Bonds	-	-	-	-	291,070	-	291,070
Equity	59,348	-	-	-	-	-	59,348
Derivative financial instruments	7,616,880	7,916,079	41,204,047	368,881	65,842,031	-	122,947,918
Loans and advances to banks	-	-	100,993,103	-	-	-	100,993,103
Loans and advances to customers	-	-	-				
Auto Loan	585,845	3,345,995	-	2,357,765	-	-	6,289,605
Credit Card	35,254	320,375	-	3,672,435	-	-	4,028,064
Finance Lease	135,160	667,191	-	547	-	-	802,898
Mortgage Loan	2,048,253	4,065,462	-	3,838,418	-	-	9,952,133
Overdraft	48,930,507	69,529,078	-	1,732,851	-	-	120,192,436
Personal Loan	-	-	-	19,770,687	-	-	19,770,687
Term Loan	445,205,636	520,451,449	-	512	230,397,422	-	1,196,055,019
Time Loan	132,025,249	191,954,900	-	690,871	-	-	324,671,020
Pledged assets							
Treasury bills	-	-	-	-	380,688,816	-	380,688,816
Bonds	-	-	-	-	173,364,139	-	173,364,139
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	48,881,703	-	48,881,703

Bonds	6,855,934	-	6,791	-	8,227,587	-	15,090,312
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	60,166,222	-	60,166,222
Bonds	462,530	-	1,785,027	-	23,341,269	-	25,588,826
Restricted deposit and other assets	42,878,613	3,130,344	493,665,562	15,825,373	2,581,041	2,510,209	560,591,142
Total	**692,701,823**	**801,380,873**	**1,036,038,347**	**48,258,340**	**1,038,207,974**	**2,510,209**	**3,619,097,566**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	176,833,125	147,158,295	1,495,050	33,375,978	-	-	358,862,448
Clean line facilities for letters of credit and other commitments	77,992,782	87,869,888	59,043	40,076,129	-	-	205,997,842
							-
Total	**254,825,907**	**235,028,183**	**1,554,093**	**73,452,107**	**-**	**-**	**564,860,290**

5.1.5 (b)i By geography

Bank	Nigeria	Rest of Africa	Europe	Others	Total
December 2019					
In thousands of Naira					
Cash and balances with banks	352,972,318	20,610	186,426,517	-	539,419,445
Investment under management	9,225,166	6,849,720	12,217,073	-	28,291,959
Non pledged trading assets					
Treasury bills	74,749,344	-	-	-	74,749,344
Bonds	2,222,417	-	-	-	2,222,417
Equity	-	-	-	-	-
Derivative financial instruments	126,909,010	1,585,977	6,844,628	1,313,164	136,652,779
Loans and advances to banks	695,095	-	163,717,905	-	164,413,000
Loans and advances to customers					
Auto Loan	6,467,952	-	-	-	6,467,952
Credit Card	17,413,366	-	-	-	17,413,366
Finance Lease	4,485,635	-	-	-	4,485,635
Mortgage Loan	2,136,440	-	-	-	2,136,440
Overdraft	245,768,584	-	-	-	245,768,584
Personal Loan	34,168,590	-	-	-	34,168,590
Term Loan	1,816,913,719	-	-	-	1,816,913,719
Time Loan	354,269,381	-	-	-	354,269,381
Pledged assets					
Treasury bills	522,956,307	-	-	-	522,956,307
Bonds	82,599,583	-	-	-	82,599,583
Investment securities					
-Financial assets at FVOCI					
Treasury bills	77,898,247	-	-	-	77,898,247
Bonds	11,134,851	7,815,595	-	-	18,950,446

Promissory Notes	807,619	-	-	-	807,619
-Financial assets at amortised cost					
Treasury bills	341,786,029	-	-	-	341,786,029
Bonds	249,386,429	510,162	932,242	-	250,828,833
Promissory Notes	10,844,042	-	-	-	10,844,042
Restricted deposit and other assets	139,214,206	17,935,193	-	356,261	157,505,660
Total	**4,485,024,331**	**34,717,257**	**370,138,365**	**1,669,425**	**4,891,549,377**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	451,514,549	-	-	-	451,514,549
Clean line facilities for letters of credit and other commitments	324,529,363	-	-	-	324,529,363
Total	**776,043,912**	**-**	**-**	**-**	**776,043,912**

By geography

Bank	Nigeria	Rest of Africa	Europe	Others	Total
December 2018					
In thousands of Naira					
Cash and balances with banks	251,830,662	46,097	134,057,173	2,669,138	388,603,070
Investment under management	23,839,395	-	-	-	23,839,395
Non pledged trading assets					
Treasury bills	36,230,640	-	-	-	36,230,640
Bonds	291,070	-	-	-	291,070
Equity	59,348	-	-	-	59,348
Derivative financial instruments	121,866,473	352,711	387,128	341,606	122,947,918
Loans and advances to banks	1,150,228	-	99,842,875	-	100,993,103
Loans and advances to customers	-				
Auto Loan	6,289,605	-	-	-	6,289,605
Credit Card	4,028,064	-	-	-	4,028,064
Finance Lease	802,898	-	-	-	802,898
Mortgage Loan	9,952,132	-	-	-	9,952,132
Overdraft	120,192,436	-	-	-	120,192,436
Personal Loan	19,770,687	-	-	-	19,770,687
Term Loan	1,196,055,020	-	-	-	1,196,055,020
Time Loan	324,671,020	-	-	-	324,671,020
Pledged assets					
Treasury bills	380,688,816	-	-	-	380,688,816
Bonds	173,364,139	-	-	-	173,364,139
Investment securities					
-Financial assets at FVOCI					
Treasury bills	48,881,703	-	-	-	48,881,703

Bonds	15,083,521	-	6,791	-	15,090,312
-Financial assets at amortised cost					
Treasury bills	60,166,222	-	-	-	60,166,222
Bonds	23,803,799	-	1,785,027	-	25,588,826
Restricted deposit and other assets	553,316,387	6,912,553	-	362,201	560,591,141
Total	**3,372,334,266**	**7,311,361**	**236,078,994**	**3,372,945**	**3,619,097,566**
Credit risk exposures relating to other credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	358,862,448	-	-	-	358,862,448
Clean line facilities for letters of credit and other commitments	205,997,841	-	-	-	205,997,841
Total	**564,860,289**	**-**	**-**	**-**	**564,860,289**

5.2.1 Interest rate gap position

Repricing gap measures the difference between the Bank's interest sensitive assets and liabilities within certain maturity ranges. Differences between these assets and liabilities pose as potential losses from unexpected changes in interest rate. Negative Gaps represent situations when assets are less than liabilities and the Bank is exposed to an increase in interest rates. Where assets are more than liabilities this can be described as positive gap and the Bank is exposed to decline in interest rates.

The results above shows a negative gap of N2.9 trillion in the 'less than 3 months' time bucket, however this is as a result of the contractual nature of Non Maturity deposits. A significant portion of this gap is as a result of the contractual nature of Non Maturing Deposits.

A summary of the Group's interest rate gap position on financial instruments is as follows:

Group

				Re-pricing year			
In thousands of Naira	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
December 2019							
Non-derivative assets							
Cash and balances with banks	48,838,459	-	-	-	-	674,225,544	723,064,003
Investment under management	23,799,663	-	-	-	4,492,296	-	28,291,959
Non pledged trading assets							
Treasury bills	322,930	-	-	88,784	89,386,247	-	89,797,961
Bonds	6,119,728	18,240,051	15,661,498	-	-	-	40,021,277
Loans and advances to banks	1,574,222	-	151,250,859	-	-	-	152,825,081
Loans and advances to customers							
Auto Loan	1,367,433	2,723,298	2,250,439	11,438,338	-	-	17,779,508
Credit Card	5,224,010	4,005,074	4,832,030	5,049,876	-	-	19,110,990
Finance Lease	185,166	281,973	995,208	3,481,829	-	-	4,944,175
Mortgage Loan	14,083,082	20,961,920	7,042,857	28,829,594	70,965,117	-	141,882,570
Overdraft	191,136,170	28,721,932	33,127,579	-	-	-	252,985,681
Personal Loan	22,390,356	6,891,505	7,762,223	11,855,183	3,373,662	-	52,272,927
Term Loan	135,048,813	46,399,740	103,043,879	883,206,154	878,273,788	-	2,045,972,373
Time Loan	229,826,017	24,874,616	121,930,850	-	-	-	376,631,483
Pledged assets							-

Treasury bills	356,959,312	58,032,025	107,964,970	-	-	-	522,956,307
Bonds	4,195,563	-	-	16,962,424	61,441,596	-	82,599,583
Investment securities							
-Financial assets at FVOCI							
Treasury bills	203,505,343	5,506,455	23,801,576	-	-	-	232,813,374
Bonds	-	-	-	16,917,821	65,059,856	-	81,977,676
Promissory notes	-	-	18	807,601	-	-	807,619
-Financial assets at amortised cost							
Treasury bills	180,212,376	44,050,341	155,020,664	-	-	-	379,283,381
Bonds	12,916,561	987,141	2,145,796	60,395,511	189,833,987	-	266,278,996
Promissory notes	10,357,841	58,664	-	427,536	-	-	10,844,042
Restricted deposit and other assets	-	-	-	-	-	1,016,582,843	1,016,582,843
	1,448,063,042	**261,734,735**	**736,830,446**	**1,039,460,651**	**1,362,826,549**	**1,690,808,387**	**6,539,723,809**
Non-derivative liabilities							
Deposits from financial institutions	726,033,482	333,020,413	127,302,419	-	-	-	1,186,356,314
Deposits from customers	3,958,730,179	185,329,362	110,055,505	1,720,003	2,254	-	4,255,837,303
Other liabilities	-	-	-	-	-	315,626,032	315,626,032
Debt securities issued	14,691	157,931	1,046,358	44,090,302	112,678,596	-	157,987,877
Interest bearing borrowings	54,051	581,074	3,849,869	162,221,574	419,896,262	-	586,602,830
	4,684,832,403	**519,088,779**	**242,254,151**	**208,031,878**	**532,577,112**	**315,626,032**	**6,502,410,356**
Total interest re-pricing gap	(3,236,769,361)	(257,354,044)	494,576,294	831,428,773	830,249,437	1,375,182,355	37,313,453

Group

In thousands of Naira **December 2018**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**Re-pricing year** **1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	220,309,727	-	-	-	-	520,616,635	740,926,362
Investment under management	20,709,989	-	-	-	3,129,405	-	23,839,394
Non pledged trading assets							
Treasury bills	9,493,622	2,509,901	26,461,592	-	-	-	38,465,116
Bonds	-	-	-	161,251	131,433	-	292,684
Loans and advances to banks	28,107,804	68,454,016	45,927,722	-	-	-	142,489,543
Loans and advances to customers							
Auto Loan	1,046,747	2,282,114	2,174,635	10,138,372	-	-	15,641,868
Credit Card	3,874,398	28,986	1,527,890	-	-	-	5,431,274
Finance Lease	36,593	147,396	156,545	810,157	-	-	1,150,691
Mortgage Loan	10,581,592	15,842,854	5,292,899	28,576,832	55,264,684	-	115,558,862
Overdraft	89,747,084	5,652,059	37,414,777	-	-	-	132,813,921
Personal Loan	7,566,724	5,728,455	6,814,729	13,804,036	822,056	-	34,735,999
Term Loan	30,076,743	38,798,848	72,197,695	651,496,932	563,684,740	-	1,356,254,959
Time Loan	185,845,581	10,554,172	135,618,907	-	-	-	332,018,660
Pledged assets							
Treasury bills	185,257,056	11,278,949	184,152,812	-	-	-	380,688,816
Bonds	-	8,208,487	33,638,262	28,871,229	102,646,161	-	173,364,139
Investment securities							
-Financial assets at FVOCI							
Treasury bills	102,181,774	3,854,203	89,182,248	-	-	-	195,218,225
Bonds	-	17,837,185	981,070	700,764	25,271,986	-	44,791,006

-Financial assets at amortised cost							
Treasury bills	43,039,941	-	59,524,107	-	-	-	102,564,048
Bonds	-	700,764	3,608,935	9,588,914	35,198,382	-	49,096,996
Restricted deposit and other assets	-	-	-	-	-	683,991,853	683,991,853
	937,875,375	**191,878,389**	**704,674,825**	**744,148,487**	**786,148,847**	**1,204,608,488**	**4,569,334,416**
Non-derivative liabilities							
Deposits from financial institutions	829,405,652	165,167,193	-	-	-	-	994,572,845
Deposits from customers	2,271,460,108	180,082,659	109,007,202	4,358,414	-	-	2,564,908,383
Other liabilities	-	-	-	-	-	168,516,338	168,516,338
Debt securities issued	-	-	-	251,251,383	-	-	251,251,383
Interest bearing borrowings	75,892,298	104,512,277	57,399,839	41,525,848	109,086,473	-	388,416,734
	3,176,758,058	**449,762,129**	**166,407,041**	**297,135,645**	**109,086,473**	**168,516,338**	**4,367,665,683**
Total interest re-pricing gap	(2,238,882,683)	(257,883,740)	538,267,784	447,012,842	677,062,374	1,036,092,150	201,668,733

5.2.1 A summary of the Bank's interest rate gap position on security portfolios is as follows:

Bank

In thousands of Naira **December 2019**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**Re-pricing year** **1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	32,822,515	-	-	-	-	543,083,756	575,906,272
Investment under management	23,799,663	-	-	-	4,492,296	-	28,291,959
Non- pledged trading assets							
Treasury bills	25,811,643	15,183,327	33,754,374	-	-	-	74,749,344
Bonds	17,933	-	-	4,930	2,199,554	-	2,222,417
Loans and advances to banks	1,574,222	-	162,838,779	-	-	-	164,413,001
Loans and advances to customers							
Auto Loan	236,278	121,640	327,474	5,782,560	-	-	6,467,951
Credit Card	5,224,010	4,005,074	3,134,406	5,049,876	-	-	17,413,366
Finance Lease	139,312	121,485	807,207	3,417,633	-	-	4,485,637
Mortgage Loan	108,469	-	55,551	880,368	1,092,051	-	2,136,440
Overdraft	191,136,170	28,721,932	25,910,483	-	-	-	245,768,584
Personal Loan	19,674,705	554,987	882,575	9,682,662	3,373,662	-	34,168,590
Term Loan	112,142,947	16,622,115	52,650,975	768,676,826	866,820,855	-	1,816,913,719
Time Loan	224,438,927	22,396,554	107,433,900	-	-	-	354,269,381
Pledged assets							
Treasury bills	356,736,955	57,603,524	108,615,828	-	-	-	522,956,307
Bonds	-	-	-	5,370,235	77,229,349	-	82,599,584
Investment securities							
-Financial assets at FVOCI							
Treasury bills	67,587,702	1,820,486	8,490,265	-	-	-	77,898,453
Bonds	-	-	-	3,904,247	15,046,199	-	18,950,446

Promissory note	-	-	18	807,602	-	-	807,620
-Financial assets at amortised cost							
Treasury bills	162,585,507	39,741,705	139,458,818	-	-	-	341,786,029
Bonds	21,854,573	-	2,026,459	37,693,507	200,098,335	-	261,672,874
Promissory note	10,357,841	58,664	-	427,536	-	-	10,844,042
Restricted deposit and other assets	-	-	-	-	-	968,698,629	968,698,629
	1,256,249,369	**186,951,496**	**646,387,111**	**841,697,986**	**1,170,352,303**	**1,511,782,385**	**5,613,420,650**
Non-derivative liabilities							
Deposits from financial institutions	660,027,871	302,744,652	116,511,894	-	-	-	1,079,284,418
Deposits from customers	3,410,734,852	159,764,671	82,433,687	1,482,742	1,943	-	3,654,417,894
Other liabilities	-	-	-	-	-	295,184,124	295,184,124
Debt securities	-	-	-	142,561,644	15,426,233	-	157,987,877
Interest bearing borrowings	-	758,553	1,693,928	187,349,953	350,851,336	3,410,456	544,064,226
	4,070,762,723	**463,267,876**	**200,639,509**	**331,394,340**	**366,279,512**	**298,594,580**	**5,730,938,542**
Total interest re-pricing gap	(2,814,513,350)	(276,316,376)	445,747,602	510,303,645	804,072,790	1,213,187,805	(117,517,891)

Bank

In thousands of Naira				Re-pricing year			
December 2018	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	46,392,634	-	-	-	-	291,897,279	338,289,913
Investment under management	20,709,989	-	-	-	3,129,405	-	23,839,394
Non- pledged trading assets							
Treasury bills	9,064,209	2,682,259	24,484,172	-	-	-	36,230,640
Bonds	-	-	-	146,540	144,530	-	291,070
Loans and advances to banks	28,107,804	26,957,576	45,927,735	-	-	-	100,993,116
Loans and advances to customers							
Auto Loan	111,520	131,093	584,750	5,462,241	-	-	6,289,604
Credit Card	3,874,398	28,986	124,680	-	-	-	4,028,063
Finance Lease	1,814	25,668	13,950	761,466	-	-	802,898
Mortgage Loan	20,919	1,845	12,563	7,455,486	2,461,320	-	9,952,132
Overdraft	89,747,084	5,652,059	24,793,293	-	-	-	120,192,436
Personal Loan	5,321,927	490,595	1,127,910	12,008,199	822,056	-	19,770,687
Term Loan	14,056,749	17,972,856	36,953,709	571,396,963	555,674,743	-	1,196,055,020
Time Loan	182,171,761	8,864,215	133,635,044	-	-	-	324,671,020
Pledged assets							
Treasury bills	187,048,313	5,661,025	187,979,478	-	-	-	380,688,816
Bonds	-	8,208,487	39,202,601	28,871,229	97,081,822	-	173,364,139
Investment securities							
-Financial assets at FVOCI							
Treasury bills	27,027,186	2,179,969	19,674,548	-	-	-	48,881,703
Bonds	-	4,966,935	554,901	396,358	9,172,119	-	15,090,313

-Financial assets at amortised cost							
Treasury bills	24,090,654	-	36,075,568	-	-	-	60,166,222
Bonds	-	396,358	2,041,243	4,438,270	18,712,954	-	25,588,825
Restricted deposit and other assets	-	-	-	-	-	560,591,142	560,591,142
	637,746,961	**84,219,927**	**553,186,145**	**630,936,752**	**687,198,949**	**852,488,421**	**3,445,777,154**
Non-derivative liabilities							
Deposits from financial institutions	513,992,208	102,652,401	-	-	-	-	616,644,610
Deposits from customers	1,823,689,135	143,149,426	86,036,288	5,864,082	-	-	2,058,738,931
Other liabilities	-	-	-	-	-	145,106,507	145,106,507
Debt securities	-	-	-	251,251,383	-	-	251,251,383
Interest bearing borrowings	71,059,493	97,856,958	53,744,628	38,881,491	102,139,870	-	363,682,440
	2,408,740,836	**343,658,787**	**139,780,917**	**295,996,955**	**102,139,870**	**145,106,507**	**3,435,423,871**
Total interest re-pricing gap	(1,770,993,871)	(259,438,856)	413,405,228	334,939,797	585,059,079	707,381,914	10,353,283

Market risk management

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

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

Exposure to fixed and variable interest rate risk

Group

In thousands of Naira

December 2019	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	48,838,459	-	674,316,991	723,155,450
Non pledged trading assets	129,819,238	-	-	129,819,238
Derivative financial instruments	-	-	143,520,553	143,520,553
Loans and advances to banks	152,825,081	-	-	152,825,081
Loans and advances to customers	14,009,421	2,897,570,286	-	2,911,579,708
Pledged assets		-	-	-
Treasury bills	522,956,309	-	-	522,956,309
Bonds	82,599,583	-	-	82,599,583
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	232,813,374	-	-	232,813,374
Bonds	82,785,297	-	-	82,785,297
Promissory notes	807,619	-	-	807,619
-Financial assets at amortised cost				
Treasury bills	379,283,381	-	-	379,283,381
Bonds	276,563,816	-	-	276,563,816
Promissory notes	-	-	10,844,042	10,844,042
TOTAL	**1,923,301,577**	**2,897,570,286**	**828,681,585**	**5,649,553,449**
LIABILITIES				
Deposits from financial institutions	1,186,356,312	-	-	1,186,356,312
Deposits from customers	1,784,924,350	2,470,912,954	-	4,255,837,305
Derivative financial instruments	-	-	6,885,680	6,885,680
Debt securities issued	157,987,877	-	-	157,987,877
Interest-bearing borrowings	308,692,956	277,909,874	-	586,602,830
TOTAL	**3,437,961,497**	**2,748,822,829**	**6,885,680**	**6,193,670,002**

December 2018	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	220,309,727	-	520,619,841	740,929,568
Non pledged trading assets	38,757,800	-	59,347	38,817,146
Derivative financial instruments	-	-	128,440,342	128,440,342
Loans and advances to banks	142,489,543	-	-	142,489,543
Loans and advances to customers	7,947,796	1,985,658,437	-	1,993,606,233
Pledged assets				
Treasury bills	380,688,816	-	-	380,688,816
Bonds	173,364,139	-	-	173,364,139
Investment securities:				
-Financial assets at FVOCI	-	-	109,419,574	109,419,574
Treasury bills	195,218,225	-	-	195,218,225
Bonds	44,791,007	-	-	44,791,007
-Financial assets at amortised cost				
Treasury bills	102,564,048	-	-	102,564,048
Bonds	49,079,627	-	-	49,079,627
TOTAL	**1,355,210,728**	**1,985,658,437**	**758,539,103**	**4,099,408,268**
LIABILITIES				
Deposits from financial institutions	994,572,845	-	-	994,572,845
Deposits from customers	1,287,048,284	1,277,860,101	-	2,564,908,384
Derivative financial instruments	-	-	5,206,001	5,206,001
Debt securities issued	251,251,383	-	-	251,251,383
Interest-bearing borrowings	219,409,480	169,007,255	-	388,416,735
TOTAL	**2,752,281,992**	**1,446,867,356**	**5,206,001**	**4,204,355,348**

Bank

December 2019	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	32,822,516	-	543,085,033	575,907,549
Non pledged trading assets	76,971,760	-	-	76,971,760
Derivative financial instruments	-	-	143,480,073	143,480,073
Loans and advances to banks	164,413,001	-	-	164,413,001
Loans and advances to customers	13,346,263	2,468,277,408	-	2,481,623,671
Pledged assets				
'Treasury bills	522,956,308	-	-	522,956,308
'Bonds	82,599,583	-	-	82,599,583
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	77,897,548	-	-	77,897,548

Bonds	19,758,066	-	-	19,758,066
-Financial assets at amortised cost				
Treasury bills	341,786,029	-	-	341,786,029
Bonds	261,138,688	-	-	261,138,688
TOTAL	**1,593,689,762**	**2,468,277,408**	**686,565,106**	**4,748,532,276**
LIABILITIES				
Deposits from financial institutions	1,079,284,414	-	-	1,079,284,414
Deposits from customers	1,463,431,594	2,204,908,217	-	3,668,339,811
Derivative financial instruments	-	-	6,827,293	6,827,293
Debt securities issued	157,987,877	-	-	157,987,877
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	**2,985,195,146**	**2,461,070,726**	**10,237,748**	**5,456,503,620**

December 2018	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	46,392,634	-	291,898,020	338,290,654
Non pledged trading assets	36,521,709	-	59,348	36,581,057
Derivative financial instruments	-	-	128,133,789	128,133,789
Loans and advances to banks	100,993,116	-	-	100,993,116
Loans and advances to customers	7,170,261	1,674,591,601	-	1,681,761,862
Pledged assets				
'Treasury bills	380,688,816	-	-	380,688,816
'Bonds	173,364,139	-	-	173,364,139
Investment securities:				-
-Financial assets at FVOCI	-	-	108,870,593	108,870,594
Treasury bills	48,881,703	-	-	48,881,703
Bonds	15,090,313	-	-	15,090,313
-Financial assets at amortised cost				
Treasury bills	60,166,222	-	-	60,166,222
Bonds	25,571,455	-	-	25,571,455
TOTAL	**894,840,368**	**1,674,591,601**	**528,961,750**	**3,098,393,719**
LIABILITIES				
Deposits from financial institutions	616,644,611	-	-	616,644,611
Deposits from customers	990,096,832	1,068,642,098	-	2,058,738,930
Derivative financial instruments	-	-	5,185,870	5,185,870
Debt securities issued	251,251,383	-	-	251,251,383
Interest-bearing borrowings	218,871,012	144,811,429	-	363,682,441
TOTAL	**2,076,863,838**	**1,213,453,527**	**5,185,870**	**3,295,503,235**

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

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing (note 5.2.1) that may be undertaken, which is monitored daily by Group Treasury.

Cash flow and fair value interest rate risk

The group's interest rate risk arises from risk assets, long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

(i) Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.

(ii) Fair value reserves arising from increases or decreases in fair value of available-for-sale financial instruments reported directly in other comprehensive income.

Group

Interest sensitivity analysis-December 2019

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	25,416,897	(25,416,897)
6 months	1,502,426	(1,502,426)
12 months	(1,366,377)	1,366,377
	25,552,946	**(25,552,946)**

Interest sensitivity analysis-December 2018

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	4,526,097	(4,526,097)
6 months	492,684	(492,684)
12 months	(2,927,545)	2,927,545
	2,091,236	**(2,091,236)**

Bank

Interest sensitivity analysis - December 2019

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	22,197,970	(22,197,970)
6 months	1,596,005	(1,596,005)
12 months	(1,122,211)	1,122,211
	22,671,765	**(22,671,765)**

Interest sensitivity analysis - December 2018

Impact on net interest income of +/-1oo basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	4,002,856	(4,002,856)
6 months	474,683	(474,683)
12 months	(2,287,183)	2,287,183
	2,190,356	**(2,190,356)**

The table above sets out the impact on net interest income of a 100 basis points parallel fall or rise in all yields. A parallel increase in yields by 100 basis points would lead to an increase in net interest income while a parallel fall in yields by 100 basis points would lead to a decline in net interest income. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all positions will be retained and rolled over upon maturity. The figures represent the effect of movements in net interest income based on the 100 basis point shift in interest rate and subject to the current interest rate exposures. However, the effect has not taken into account the possible risk management measures undertaken by the Bank to mitigate interest rate risk. In practice, the Assets and Liability Committee, ALCO seeks proactively to change the interest rate risk profile to minimize losses and optimise net revenues. The projections also assume that interest rates on various maturities will move within similar ranges, and therefore do not reflect any potential effect on net interest income in the event that some interest rates may change and others remain unchanged.

Price sensitivity analysis on bonds and treasury bills

The table below shows the impact of likely movement in yields on the value of bonds and treasury bills. This relates to the positions held for trade and available for sale. Since an increase in yields would lead to decline in market values of bonds and treasury bills, the analysis was carried out to show the likely impact of 50 and 100 basis points increase in market yields. The impact of held for trading investments is on the income statement while the impact of available for sale instruments is on the statement of other comprehensive income.

Group **December 2019**	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive			
Investment under management T-Bills			
Fair value through profit or loss: Bonds	40,021,277	(231,021)	(458,263)
Fair value through profit or loss: T-bills	89,797,961	(207,869)	(415,738)
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	39,881,494	(79,008)	(158,017)
	169,700,732	(517,898)	(1,032,018)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	2,222,417	(60,034)	(117,469)
-Financial assets at FVOCI-Tbills	74,749,344	(199,479)	(398,958)

Financial assets at FVOCI - Bonds - Pledged	-	-	-
Financial assets at FVOCI - T-Bills - Pledged	39,881,494	(79,008)	(158,017)
	116,853,256	(338,522)	(674,444)
TOTAL	**286,553,988**	**(856,420)**	**(1,706,462)**

December 2018	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive			
Investment under management T-Bills			
Fair value through profit or loss: Bonds	59,075	31,325	3,576
Fair value through profit or loss: T-bills	579,666	336,690	93,663
Fair value through profit or loss: Bonds - Pledged	14,556	8,056	1,556
Fair value through profit or loss: T-bills - Pledged	139,544	71,748	3,955
	792,841	447,819	102,750
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	(4,456,367)	(4,587,415)	(4,718,463)
-Financial assets at FVOCI-Tbills	(595,682)	(1,036,127)	(1,579,315)
Financial assets at FVOCI - Bonds - Pledged	(1,234,741)	(1,284,491)	(1,334,241)
Financial assets at FVOCI - T-Bills - Pledged	(7,595,927)	(7,999,478)	(8,419,370)
	(13,882,717)	(14,907,511)	(16,051,389)
TOTAL	**(13,089,876)**	**(14,459,692)**	**(15,948,639)**

Bank

December 2019	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	2,222,417	(60,034)	(117,469)
Fair value through profit or loss: T-bills	74,749,344	(199,479)	(398,958)
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	39,881,494	(79,008)	(158,017)
	116,853,255	(338,521)	(674,444)

Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	4,823,398	(165,587)	(322,441)
-Financial assets at FVOCI-Tbills	77,898,247	(43,018)	(86,035)
Financial assets at FVOCI - Bonds - Pledged	-	-	-
Financial assets at FVOCI - T-Bills - Pledged	30,388,532	(78,701)	(157,402)
	113,110,177	(287,306)	(565,878)
TOTAL	**229,963,432**	**(625,827)**	**(1,240,322)**

December 2018	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	579,666	336,690	93,663
Fair value through profit or loss: T-bills	638,741	368,016	97,239
Fair value through profit or loss: Bonds - Pledged	139,544	71,748	3,955
Fair value through profit or loss: T-bills - Pledged	-	-	-
	1,357,951	776,454	194,857
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	(595,682)	(1,036,127)	(1,579,315)
-Financial assets at FVOCI-Tbills	-	-	-
Financial assets at FVOCI - Bonds - Pledged	(7,595,927)	(7,999,478)	(8,419,370)
Financial assets at FVOCI - T-Bills - Pledged	-	-	-
	(8,191,609)	(9,035,605)	(9,998,685)
TOTAL	**(6,833,658)**	**(8,259,151)**	**(9,803,828)**

Foreign currency sensitivity analysis

The Group's principal foreign currency exposure is to US Dollars, as it constitutes a significant portion of the Group's foreign currency exposure as at 31 December 2019. The table below illustrates the hypothetical sensitivity of the Group and Bank's reported profit to a 5% increase in the US Dollar/Naira exchange rates at the year end, assuming all other variables remain unchanged. The sensitivity rate of 5% increase represents the directors' assessment of a reasonable possible change based on historic volatility.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective cash flow hedge affect the fair value reserve in equity and the fair value of the hedging derivatives. For foreign exchange derivatives which are not designated hedges, movements in exchange rates impact the income statement.

Group

In thousands of naira	Impact on statement of comprehensive income December 2019
Naira weakens by 5%	16,335,612

In thousands of naira	Impact on statement of comprehensive income December 2018
Naira weakens by 5%	3,823,153

Bank

In thousands of naira	Impact on statement of comprehensive income December 2019
Naira weakens by 5%	2,566,064

	Impact on statement of comprehensive income December 2018
Naira weakens by 5%	4,990,024

The NGN/USD exchange rate applied in the conversion of balances as at year end is N364.70/USD1 (2018: N358.79/USD1). The strengthening or weakening of Naira may not produce symmetrical results depending on the proportion and nature of balance sheet and the impact of derivatives.

5.2.3 The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Group

In thousands of Naira

December 2019	Total	Naira	US	GBP	Euro	Others
Cash and balances with banks	723,063,304	453,932,614	133,256,184	81,538,667	53,428,679	907,159
Investment under management	28,291,959	25,854,313	2,437,646	-	-	-
Non-pledged trading assets						
Treasury bills	71,810,176	71,810,176	-	-	-	-
Bonds	2,105,312	2,105,312	-	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	143,520,554	143,480,074	31,765	4,274	4,441	-
Loans and advances to banks	125,646,471	125,388,045	233,140	23,287	1,315	684
Loans and advances to customers						
Auto Loan	17,779,508	6,467,952	-	-	-	11,311,556
Credit Card	19,110,990	13,193,895	5,259,311	224	-	657,560
Finance Lease	4,944,175	4,485,635	-	-	-	458,540
Mortgage Loan	141,882,570	2,136,440	-	-	-	139,746,130
Overdraft	252,985,680	211,698,524	34,070,060	-	-	7,217,096
Personal Loan	52,272,927	34,109,700	58,890	-	-	18,104,337
Term Loan	2,045,972,373	1,250,302,404	734,773,011	-	28,938	60,868,021
Time Loan	376,631,483	66,600,412	300,932,717	570,300	4,488,266	4,039,788
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	30,388,532	30,388,532	-	-	-	-
Bonds	-	-	-	-	-	-

-Financial assets at amortised cost						
Treasury bills	452,686,281	452,686,281	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-
-Financial assets at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	232,814,072	77,898,247	149,464,151	-	-	5,451,674
Bonds	81,977,677	18,950,446	-	-	-	63,027,231
Promissory notes	807,619	807,619	-	-	-	-
-Financial assets at FVPL						
Equity	113,158,320	113,126,623	-	31,697	-	-
-Financial assets at amortised cost						
Treasury bills	379,283,381	341,786,029	-	-	-	37,497,352
Bonds	265,856,916	249,896,592	510,162	-	-	15,450,162
Promissory notes	10,844,042	10,844,042	-	-	-	-
Restricted deposit and other assets	1,028,044,587	924,333,084	44,882,326	1,616,300	476,590	56,736,288
	6,724,359,985	**4,754,764,069**	**1,405,909,364**	**83,784,748**	**58,428,229**	**421,473,579**
Deposits from financial institutions	1,186,356,314	11,466,226	1,154,893,153	7,543,859	11,517,210	935,866
Deposits from customers	4,255,837,303	2,885,124,586	889,539,662	198,600,481	40,860,263	241,712,310
Derivative financial instruments	6,885,680	6,827,293	21,657	735	35,738	257
Other liabilities	315,593,152	247,375,844	41,266,317	6,392,838	8,451,784	12,106,370
Debt securities issued	157,987,877	47,054,109	110,933,768	-	-	-
Interest bearing borrowings	585,666,012	287,901,717	279,547,909	-	2,048,811	16,167,574
	6,508,326,339	**3,485,749,774**	**2,476,202,469**	**212,537,912**	**62,913,806**	**270,922,378**
Off balance sheet exposures:						
Transaction related bonds and guarantees	531,976,664	297,939,670	116,354,693	190,686	47,297,755	70,193,860
Clean line facilities for letters of credit and other commitments	332,827,557	-	314,986,446	3,495,160	13,539,804	806,147
	864,804,221	**297,939,670**	**431,341,141**	**3,685,845**	**60,837,560**	**71,000,006**

*Included in Others are balances the group has in other currencies which includes South Africa Rand, Japanese Yen, Ghanaian Cedis, Dirham, Australian dollars, Canadian dollars, Swiss franc, Chinese Yuan etc.

Financial instruments by currency

Group

In thousands of Naira

December 2018	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	740,926,362	86,855,201	396,726,292	168,761,216	38,823,993	49,759,660
Investment under management	23,839,393	21,437,209	2,402,184	-	-	-
Non-pledged trading assets						
Treasury bills	38,465,116	36,230,640	-	-	-	2,234,476
Bonds	292,684	291,070	1,614	-	-	-
Equity	59,348	59,348	-	-	-	-
Derivative financial instruments	128,440,342	128,133,789	229,557	39,048	361	37,588
Loans and advances to banks	142,489,543	1,149,279	141,340,264	-	-	-
Loans and advances to customers						
Auto Loan	15,641,868	6,289,605	-	-	-	9,352,262
Credit Card	5,431,274	647,425	4,034,353	257	-	749,238
Finance Lease	1,150,691	802,898	-	-	-	347,793
Mortgage Loan	115,558,862	9,939,008	13,124	-	-	105,606,729
Overdraft	132,813,921	86,992,173	33,200,262	-	-	12,621,485
Personal Loan	34,735,999	18,746,089	1,024,598	-	-	14,965,313
Term Loan	1,356,254,958	831,155,033	470,654,961	-	-	54,444,964
Time Loan	332,018,660	85,867,828	234,944,471	486,228	7,133,022	3,587,111
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	170,118,776	170,118,776	-	-	-	-
Bonds	10,000,146	10,000,146	-	-	-	-

-Financial assets at amortised cost						
Treasury bills	192,208,928	192,208,928	-	-	-	-
Bonds	162,033,050	162,033,050	-	-	-	-
-Financial assets at FVPL						
Treasury bills	18,361,112	18,361,112	-	-	-	-
Bonds	1,330,944	1,330,944	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	195,218,225	48,881,703	142,043,437	-	-	4,293,085
Bonds	44,791,007	15,083,521	29,707,485	-	-	-
-Financial assets at FVPL						
Equity	109,419,574	108,870,593	-	511,486	-	37,496
-Financial assets at amortised cost						
Treasury bills	102,564,048	60,166,222	-	-	-	42,397,826
Bonds	49,079,627	23,786,430	1,785,027	-	-	23,508,171
Restricted deposit and other assets	685,924,555	591,880,891	21,749,738	1,897,741	154,822	70,241,363
	4,809,169,012	**2,717,318,911**	**1,479,857,367**	**171,695,976**	**46,112,198**	**394,184,560**
Deposits from financial institutions	994,572,845	116,387	966,512,343	9,749,403	17,509,713	684,999
Deposits from customers	2,564,908,384	1,601,698,493	580,301,187	162,775,637	18,195,989	201,937,077
Derivative financial instruments	5,206,001	5,185,870	1,965	14,874	202	3,090
Other liabilities	168,516,337	107,552,540	34,553,513	1,027,095	6,213,806	19,169,383
Debt securities issued	251,251,383	-	251,251,383	-	-	-
Interest bearing borrowings	387,035,747	218,871,012	165,273,814	-	2,429,794	461,127
	4,371,490,698	**1,933,424,303**	**1,997,894,205**	**173,567,009**	**44,349,504**	**222,255,676**
Off balance sheet exposures						
Transaction related bonds and guarantees	452,083,539	199,952,507	111,079,958	-	55,073,042	85,978,032
Clean line facilities for letters of credit and other commitments	307,761,666	794,215	281,322,639	2,223,269	22,254,295	1,167,248
	759,845,205	**200,746,722**	**392,402,597**	**2,223,269**	**77,327,337**	**87,145,280**

5.2.3 The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Bank

In thousands of Naira

December 2019	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	575,905,574	453,932,614	60,998,522	16,118,142	43,016,317	1,839,979
Investment under management	28,291,959	25,854,313	2,437,646	-	-	-
Non-pledged trading assets						
Treasury bills	71,810,176	71,810,176	-	-	-	-
Bonds	2,105,312	2,105,312	-	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	143,480,074	143,480,074	-	-	-	-
Loans and advances to banks	164,413,001	880,686	162,779,633	-	752,682	-
Loans and advances to customers						
Auto Loan	6,467,952	6,467,952	-	-	-	-
Credit Card	17,413,366	13,193,895	4,219,247	224	-	-
Finance Lease	4,485,635	4,485,635	-	-	-	-
Mortgage Loan	2,136,440	2,136,440	-	-	-	-
Overdraft	245,768,584	211,698,524	34,070,060	-	-	-
Personal Loan	34,168,590	34,109,700	58,890	-	-	-
Term Loan	1,816,913,719	1,250,302,404	566,582,377	-	28,938	-
Time Loan	354,269,381	66,600,412	282,293,518	570,300	4,488,266	316,886
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	30,388,532	30,388,532	-	-	-	-

Bonds	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	452,686,281	452,686,281	-	-	-	-
Bonds	82,599,583	82,599,583	-	-	-	-
-Financial assets at FVPL						
Treasury bills	39,881,494	39,881,494	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	77,898,247	77,898,247	-	-	-	-
Bonds	18,950,446	18,950,446	-	-	-	-
Promissory notes	807,619	807,619	-	-	-	-
-Financial assets at FVPL						
Equity	113,126,623	113,126,623	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	341,786,029	341,786,029	-	-	-	-
Bonds	250,406,754	249,896,592	510,162	-	-	-
Promissory notes	10,844,042	10,844,042	-	-	-	-
Restricted deposit and other assets	968,141,727	924,333,084	43,332,809	-	475,833	-
	5,855,147,139	**4,630,256,711**	**1,157,282,864**	**16,688,664**	**48,762,035**	**2,156,864**
Deposits from financial institutions	1,079,284,418	11,466,226	1,064,743,979	234,864	2,523,963	315,387
Deposits from customers	3,668,339,811	2,885,124,586	750,073,110	15,112,528	18,029,210	376
Derivative financial instruments	6,827,293	6,827,293	-	-	-	-
Other liabilities	295,184,124	247,375,844	38,647,749	477,852	8,441,521	241,159
Debt securities issued	157,987,877	47,054,109	110,933,768	-	-	-
Interest bearing borrowings	544,064,226	287,901,717	256,162,509	-	-	-
	5,751,687,749	**3,485,749,774**	**2,220,561,116**	**15,825,244**	**28,994,696**	**556,922**
Off balance sheet exposures:						
Transaction related bonds and guarantees	451,514,549	297,939,670	106,863,384	-	46,711,494	-
Clean line facilities for letters of credit and other commitments	324,529,363	-	314,795,394	884,561	8,104,976	744,432
	776,043,912	**297,939,670**	**421,658,778**	**884,561**	**54,816,471**	**744,432**

Financial instruments by currency

Bank

In thousands of Naira

December 2018	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	338,289,912	86,855,201	223,861,757	5,517,980	20,731,967	1,323,006
Investment under management	23,839,394	21,437,209	2,402,185	-	-	-
Non-pledged trading assets						
Treasury bills	36,230,640	36,230,640	-	-	-	-
Bonds	291,070	291,070	-	-	-	-
Equity	59,348	59,348	-	-	-	-
Derivative financial instruments	128,133,789	128,133,789	-	-	-	-
Loans and advances to banks	100,993,103	1,149,279	99,843,824	-	-	-
Loans and advances to customers						
Auto Loan	6,289,605	6,289,605	-	-	-	-
Credit Card	4,028,064	647,425	3,380,382	257	-	-
Finance Lease	802,898	802,898	-	-	-	-
Mortgage Loan	9,952,132	9,939,008	13,124	-	-	-
Overdraft	120,192,436	86,992,173	33,200,262	-	-	-
Personal Loan	19,770,687	18,746,089	1,024,598	-	-	-
Term Loan	1,196,055,020	831,155,033	364,899,987	-	-	-
Time Loan	324,671,020	85,867,828	230,510,765	486,228	7,133,022	673,177
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	170,118,776	170,118,776	-	-	-	-
Bonds	10,000,146	10,000,146	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	192,208,928	192,208,928	-	-	-	-
Bonds	162,033,050	162,033,050	-	-	-	-

-Financial assets at FVPL						
Treasury bills	18,361,112	18,361,112	-	-	-	-
Bonds	1,330,944	1,330,944	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	48,881,703	48,881,703	-	-	-	-
Bonds	15,090,313	15,083,521	6,791	-	-	-
-Financial assets at FVPL						
Equity	108,870,593	108,870,593	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	60,166,222	60,166,222	-	-	-	-
Bonds	25,571,456	23,786,430	1,785,027	-	-	-
Restricted deposit and other assets	612,737,652	591,880,891	20,692,474	11,494	152,793	-
	3,734,970,012	**2,717,318,911**	**981,621,177**	**6,015,959**	**28,017,782**	**1,996,183**
Deposits from financial institutions	616,644,611	116,387	608,295,541	164,393	7,599,483	468,807
Deposits from customers	2,058,738,930	1,601,698,493	442,094,624	7,549,080	7,396,415	318
Derivative financial instruments	5,185,870	5,185,870	-	-	-	-
Other liabilities	145,106,507	107,552,540	31,248,606	47,023	6,213,806	44,532
Debt securities issued	251,251,383	-	251,251,383	-	-	-
Interest bearing borrowings	363,682,441	218,871,012	144,811,429	-	-	-
	3,440,609,742	**1,933,424,302**	**1,477,701,582**	**7,760,496**	**21,209,704**	**513,657**
Off balance sheet exposures						
Transaction related bonds and guarantees	358,862,448	199,952,507	105,195,343	-	53,714,598	-
Clean line facilities for letters of credit and other commitments	205,997,841	794,215	193,037,849	604,404	10,599,358	962,014
	564,860,289	**200,746,722**	**298,233,192**	**604,404**	**64,313,956**	**962,014**

Liquidity risk management

The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

The amounts in the table below have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than one month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks and debt securities issued by federal government, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

5.3.1 Residual contractual maturities of financial assets and liabilities

Group December 2019 In thousands of Naira	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	723,064,003	723,147,899	723,147,899	-	-	-	-
Investment under management	28,291,959	28,291,959	767,313	9,012,114	14,020,236	4,492,296	-
Non-pledged trading assets			-	-	-	-	-
Treasury bills	89,797,961	94,861,781	31,063,592	20,455,361	43,342,828	-	-
Bonds	40,021,277	42,952,256	12,617,789	-	-	12,606,930	17,727,537
Derivative financial instruments	143,520,553	143,520,552	49,561,122	11,860,583	82,098,847	-	-
Loans and advances to banks	152,825,081	154,450,204	2,884,137	-	151,566,067	-	-
Loans and advances to customers							
Auto Loan	17,779,508	17,856,398	1,419,559	3,511,085	2,800,066	10,125,688	-
Credit Card	19,110,990	19,339,743	5,292,084	4,057,264	4,874,714	5,115,681	-
Finance Lease	4,944,175	5,146,881	439,934	1,003,556	1,594,991	2,108,400	-
Mortgage Loan	141,882,570	142,875,275	14,630,993	21,223,787	7,422,974	28,751,374	70,846,147
Overdraft	252,985,681	299,728,849	221,191,091	31,384,466	47,153,292	-	-
Personal Loan	52,272,928	52,940,647	19,939,124	8,196,350	9,510,897	11,401,910	3,892,366
Term Loan	2,045,972,373	2,185,260,598	318,195,947	162,727,687	262,350,776	796,327,128	645,659,060
Time Loan	376,631,483	379,822,056	137,932,385	187,158,574	54,731,097	-	-
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	30,388,532	32,424,722	5,500,000	8,124,722	18,800,000	-	-
Bonds	-	-	-	-	-	-	-
-Financial instruments at amortised cost							
Treasury bills	452,686,283	453,872,748	129,026,743	242,100,648	82,745,357	-	-
Bonds	82,599,583	123,975,255	-	-	-	5,618,298	118,356,957
-Financial instruments at FVPL							

Treasury bills	39,881,494	41,886,245	-	31,221,245	10,665,000	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	232,813,374	233,605,789	203,904,571	10,907,341	18,793,877	-	-
Bonds	81,977,676	103,693,091	-	-	65,466,231	38,226,860	-
Promissory note	807,619	1,055,468	-	20	-	1,055,448	-
-Financial assets at amortised cost							
Treasury bills	379,283,381	380,408,695	175,122,124	52,224,901	153,061,670	-	-
Bonds	266,278,996	416,671,728	19,737,979	3,862,541	6,117,451	42,467,781	344,485,976
Promissory note	10,844,041	10,844,041	10,357,841	58,664	-	427,536	-
Restricted deposit and other assets	1,016,582,841	1,016,582,841	141,177,839	26,558,428	-	-	848,846,574
	6,683,244,362	**7,105,215,716**	**2,223,910,067**	**835,649,337**	**1,037,116,372**	**958,725,329**	**2,049,814,617**
Deposits from financial institutions	1,186,356,314	1,211,552,503	906,219,476	227,258,349	78,074,678	-	-
Deposits from customers	4,255,837,303	4,265,240,310	3,732,204,467	281,016,620	155,768,045	96,251,178	-
Derivative financial instruments	6,885,680	6,885,681	4,030,595	2,370,236	484,849	-	-
Other liabilities	315,626,032	324,333,873	148,806,180	166,819,852	8,707,841	-	-
Debt securities issued	157,987,877	208,325,732	-	-	-	208,325,732	-
Interest bearing borrowings	586,602,830	768,264,849	71,437	767,986	5,088,240	214,402,709	547,934,477
	6,509,296,036	**6,784,602,948**	**4,791,332,155**	**678,233,046**	**248,123,653**	**518,979,620**	**547,934,477**
Gap (asset - liabilities)	173,948,327	320,612,767	(2,567,422,088)	157,416,292	788,992,719	439,745,710	1,501,880,142
Cumulative liquidity gap			(2,567,422,088)	(2,410,005,796)	(1,621,013,077)	(1,181,267,368)	320,612,774
Off-balance sheet							
Transaction related bonds and guarantees	477,932,817	477,932,817	86,095,559	49,298,749	180,163,792	85,238,843	77,135,874
" Clean line facilities for letters of credit and other commitments"	419,584,999	419,584,999	205,485,187	67,565,811	133,275,180	13,258,822	-
	897,517,816	**897,517,816**	**291,580,747**	**116,864,560**	**313,438,971**	**98,497,664**	**77,135,874**

Group December 2018 In thousands of Naira	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	740,926,362	791,239,520	741,603,025	-	-	-	49,636,495
Investment under management	23,839,394	23,839,395	7,378,561	16,460,834	-	-	-
Non-pledged trading assets							
Treasury bills	38,465,116	41,472,112	2,431,630	1,822,344	37,218,138	-	-
Bonds	292,684	1,207,007	381,118	-	20,822	155,427	649,640
Derivative financial instruments	128,440,342	128,440,343	5,093,050	10,068,119	63,267,939	50,011,235	-
Loans and advances to banks	142,489,543	142,569,748	28,184,320	68,455,381	45,930,047	-	-
Loans and advances to customers							
Auto Loan	15,641,867	15,917,853	2,206,865	3,038,489	2,225,667	8,446,832	-
Credit Card	5,431,274	6,003,432	4,433,123	31,470	1,538,839	-	-
Finance Lease	1,150,691	1,301,445	110,503	229,914	334,882	626,146	-
Mortgage Loan	115,558,862	116,838,671	11,443,548	17,155,888	7,780,506	25,481,130	54,977,599
Overdraft	132,813,921	146,653,587	91,182,207	5,884,672	49,586,708	-	-
Personal Loan	34,736,000	37,186,909	8,357,106	7,035,104	8,630,004	12,728,053	436,642
Term Loan	1,356,254,958	1,364,910,910	100,794,774	100,045,006	156,056,497	705,615,013	302,399,620
Time Loan	332,018,660	392,958,222	154,243,166	53,131,435	185,583,621	-	-
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	170,118,776	182,579,034	83,151,528	1,200,000	98,227,506	-	-
Bonds	10,000,146	16,003,573	-	2,957,605	1,426,636	-	11,619,332
-Financial instruments at amortised cost							
Treasury bills	192,208,928	193,494,586	64,044,586	-	129,450,000	-	-
Bonds	162,033,050	361,840,023	-	1,031,605	15,473,218	24,543,228	320,791,972

-Financial instruments at FVPL							
Treasury bills	18,361,112	38,329,066	4,910,000	-	33,419,066	-	-
Bonds	1,330,944	3,111,587	-	-	-	-	3,111,587
Investment securities							
-Financial assets at FVOCI							
Treasury bills	195,218,225	195,883,468	123,599,529	13,389,359	58,894,580	-	-
Bonds	44,791,006	50,085,434	-	26,066	491,623	7,177,669	42,390,076
-Financial assets at amortised cost							
Treasury bills	102,564,048	116,539,685	21,226,653	24,229,142	71,083,890	-	-
Bonds	49,096,996	83,286,887	985,686	582,103	22,227,568	16,529,983	42,961,547
Restricted deposit and other assets	683,991,854	690,885,751	103,450,307	1,924,347	55,691,763	215,918	529,603,416
	4,697,774,759	**5,142,578,248**	**1,559,211,285**	**328,698,883**	**1,044,559,520**	**851,530,634**	**1,358,577,926**
Deposits from financial institutions	994,572,845	1,031,713,050	693,439,062	151,046,478	187,227,509	-	-
Deposits from customers	2,564,908,384	2,686,564,048	1,954,204,133	526,129,705	121,539,349	84,690,861	-
Derivative financial instruments	5,206,001	5,206,003	4,572,615	572,504	60,884	-	-
Other liabilities	168,516,337	163,220,981	9,602,707	50,203,458	102,636,303	778,513	-
Debt securities issued	251,251,383	318,154,189	-	-	-	318,154,189	-
Interest bearing borrowings	388,416,734	391,318,138	89,058	102,655	3,087,029	24,356,955	363,682,441
	4,372,871,684	**4,596,176,409**	**2,661,907,575**	**728,054,800**	**414,551,074**	**427,980,518**	**363,682,441**
Gap (asset - liabilities)	324,903,076	546,401,836	(1,102,696,289)	(399,355,917)	630,008,445	423,550,116	994,895,487
Cumulative liquidity gap			(1,102,696,289)	(1,502,052,206)	(872,043,761)	(448,493,645)	546,401,842
Off-balance sheet							
Transaction related bonds and guarantees	452,083,539	452,083,539	100,609,847	44,854,892	38,995,149	238,232,808	29,390,843
" Clean line facilities for letters of credit and other commitments"	307,761,666	307,761,666	183,182,413	80,663,203	40,548,330	3,367,720	-
	759,845,205	**759,845,205**	**283,792,260**	**125,518,095**	**79,543,479**	**241,600,528**	**29,390,843**

Residual contractual maturities of financial assets and liabilities

Bank December 2019 In thousands of Naira	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	575,906,273	575,990,169	575,990,169	-	-	-	-
Investment under management	28,291,959	28,291,959	767,313	9,012,114	14,020,236	4,492,296	-
Non-pledged trading assets							
Treasury bills	74,749,344	79,813,164	26,047,386	15,439,156	38,326,622	-	-
Bonds	2,222,417	5,153,396	18,169	-	-	7,310	5,127,917
Derivative financial instruments	143,480,073	143,480,073	49,520,643	11,860,583	82,098,847	-	-
Loans and advances to banks	164,413,001	165,774,989	2,884,137	-	162,890,852	-	-
Loans and advances to customers							
Auto Loan	6,467,952	6,536,533	287,573	907,516	875,689	4,465,755	-
Credit Card	17,413,366	17,640,279	5,292,084	4,057,264	3,175,250	5,115,681	-
Finance Lease	4,485,635	4,661,966	391,442	833,836	1,396,176	2,040,512	-
Mortgage Loan	2,136,440	2,577,131	601,179	179,065	408,067	691,745	697,075
Overdraft	245,768,584	280,704,330	221,191,091	31,384,466	28,128,773	-	-
Personal Loan	34,168,590	34,817,133	17,220,597	1,853,120	2,623,962	9,227,088	3,892,366
Term Loan	1,816,913,719	1,947,125,422	294,382,430	131,770,114	209,961,037	677,259,540	633,752,301
Time Loan	354,269,381	368,560,297	132,301,506	184,568,369	51,690,422	-	-
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	30,388,532	32,424,722	5,500,000	8,124,722	18,800,000	-	-
Bonds	-	-	-	-	-	-	-
-Financial instruments at amortised cost							
Treasury bills	452,686,282	453,872,748	129,026,743	242,100,648	82,745,357	-	-
Bonds	82,599,583	123,975,255	-	-	-	5,618,298	118,356,957

-Financial instruments at FVPL							
Treasury bills	39,881,494	41,886,245	-	31,221,245	10,665,000	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	77,897,548	78,427,845	68,640,956	1,870,533	7,916,356	-	-
Bonds	18,950,446	40,527,773	-	-	5,161,606	35,366,167	-
Promissory note	2,041,859	1,055,468	-	20	-	1,055,448	-
-Financial assets at amortised cost							
Treasury bills	341,786,029	343,353,622	162,770,433	39,873,210	140,709,979	-	-
Bonds	250,828,832	401,221,564	15,875,438	-	2,254,910	38,605,240	344,485,976
Promissory note	20,260,865	10,844,041	10,357,841	58,664	-	427,536	-
Restricted deposit and other assets	968,698,629	968,698,630	131,504,135	26,558,428	-	-	810,636,067
	5,756,706,836	**6,157,414,752**	**1,850,571,263**	**741,673,072**	**863,849,141**	**784,372,616**	**1,916,948,659**
Deposits from financial institutions	1,079,284,414	1,102,172,881	677,224,322	307,522,023	117,426,536	-	-
Deposits from customers	3,668,339,811	3,672,263,563	3,463,160,485	188,375,203	20,330,139	397,737	-
Derivative financial instruments	6,827,293	6,827,293	3,972,208	2,370,236	484,849	-	-
Other liabilities	295,184,124	295,184,124	140,987,503	154,196,622	-	-	-
Debt securities issued	157,987,877	208,325,732	-	-	-	208,325,732	-
Interest bearing borrowings	544,064,226	768,264,849	71,437	767,986	5,088,240	214,402,709	547,934,477
	5,751,687,746	**6,053,038,443**	**4,285,415,954**	**653,232,070**	**143,329,764**	**423,126,178**	**547,934,477**
Gap (asset - liabilities)	5,019,089	104,376,309	(2,434,844,691)	88,441,002	720,519,377	361,246,439	1,369,014,182
Cumulative liquidity gap			(2,434,844,691)	(2,346,403,690)	(1,625,884,313)	(1,264,637,874)	104,376,308
Off balance-sheet							
Transaction related bonds and guarantees	451,514,549	451,514,549	31,273,900	24,799,672	233,066,260	85,238,843	77,135,874
Clean line facilities for letters of credit and other commitments	324,529,363	324,529,364	110,429,551	67,565,811	133,275,180	13,258,822	-
	776,043,912	**776,043,914**	**141,703,451**	**92,365,483**	**366,341,440**	**98,497,665**	**77,135,874**

Bank December 2018 In thousands of Naira	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	338,289,912	388,603,070	338,966,575	-	-	-	49,636,495
Investment under management	23,839,394	23,839,395	7,378,561	16,460,834	-	-	-
Non-pledged trading assets							
Treasury bills	36,230,640	41,472,112	2,431,630	1,822,344	37,218,138	-	-
Bonds	291,070	825,889	-	-	20,822	155,427	649,640
Derivative financial instruments	128,133,789	128,133,791	4,974,003	10,068,119	63,267,939	49,823,729	-
Loans and advances to banks	100,993,116	101,073,308	28,184,320	26,958,941	45,930,047	-	-
Loans and advances to customers							
Auto Loan	6,289,605	6,557,097	1,270,789	885,515	634,338	3,766,455	-
Credit Card	4,028,064	4,598,341	4,433,123	31,470	133,748	-	-
Finance Lease	802,898	926,431	73,002	98,659	181,126	573,644	-
Mortgage Loan	9,952,132	10,613,998	821,080	1,222,187	2,469,273	4,236,195	1,865,263
Overdraft	120,192,436	133,791,636	91,182,207	5,884,672	36,724,757	-	-
Personal Loan	19,770,687	22,201,996	6,109,369	1,790,384	2,935,737	10,929,864	436,642
Term Loan	1,196,055,020	1,196,082,834	83,828,094	77,988,321	118,729,799	620,781,611	294,755,009
Time Loan	324,671,020	385,104,210	150,316,160	51,325,012	183,463,038	-	-
Pledged assets							
-Financial instruments at FVOCI	170,118,776	182,579,034	83,151,528	1,200,000	98,227,506	-	-
Treasury bills	10,000,146	16,003,573	-	2,957,605	1,426,636	-	11,619,332
Bonds							
-Financial instruments at amortised cost							
Treasury bills	192,208,928	193,494,586	64,044,586	-	129,450,000	-	-
Bonds	162,033,050	361,840,023	-	1,031,605	15,473,218	24,543,228	320,791,972
-Financial instruments at FVPL							
Treasury bills	18,361,112	38,329,066	4,910,000	-	33,419,066	-	-
Bonds	1,330,944	3,111,587	-	-	-	-	3,111,587

Investment securities							
-Financial assets at FVOCI							
Treasury bills	48,881,703	49,340,032	15,920,966	-	33,419,066	-	-
Bonds	15,090,313	50,085,434	-	26,066	491,623	7,177,669	42,390,076
-Financial assets at amortised cost							
Treasury bills	60,166,222	73,226,653	21,226,653	-	52,000,000	-	-
Bonds	25,588,823	59,752,381	985,686	72,868	384,723	15,347,557	42,961,547
Restricted deposit and other assets	610,904,300	612,737,651	28,020,763	-	55,188,444	-	529,528,444
	3,624,224,100	**4,084,324,128**	**938,229,094**	**199,824,601**	**911,189,044**	**737,335,378**	**1,297,746,007**
Deposits from financial institutions	616,644,611	622,777,118	341,756,064	149,020,612	132,000,442	-	-
Deposits from customers	2,058,738,930	2,180,405,543	1,743,460,872	408,228,277	28,661,426	54,968	-
Derivative financial instruments	5,185,870	5,185,871	4,552,483	572,504	60,884	-	-
Other liabilities	145,106,506	138,650,549	8,176,483	41,257,593	89,216,473	-	-
Debt securities issued	251,251,383	318,154,189	-	-	-	318,154,189	-
Interest bearing borrowings	363,682,441	363,682,441	-	-	-	-	363,682,441
	3,440,609,742	**3,628,855,711**	**2,097,945,902**	**599,078,986**	**249,939,225**	**318,209,157**	**363,682,441**
Gap (asset - liabilities)	183,614,357	455,468,409	(1,159,716,807)	(399,254,385)	661,249,820	419,126,222	934,063,567
Cumulative liquidity gap			(1,159,716,807)	(1,558,971,192)	(897,721,372)	(478,595,150)	455,468,417
Off balance-sheet							
Transaction related bonds and guarantees	358,862,448	358,862,448	23,684,808	29,309,653	38,907,515	237,569,629	29,390,843
Clean line facilities for letters of credit and other commitments	205,997,841	205,997,841	106,153,581	66,143,502	30,333,038	3,367,720	-
	564,860,289	**564,860,290**	**129,838,389**	**95,453,155**	**69,240,553**	**240,937,349**	**29,390,843**

5.3.2 Financial instruments below and above 1 year's maturity

	December 2019			December 2018		
Group	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
In thousands of Naira						
Cash and balances with banks	723,064,003	-	**723,064,003**	740,926,362	-	**740,926,362**
Investments under management	23,799,663	4,492,296	**28,291,959**	20,709,989	3,129,405	**23,839,394**
Non pledged trading assets						
Treasury bills	322,930	-	**322,930**	38,465,116	-	**38,465,116**
Bonds	40,021,277	-	**40,021,277**	-	292,684	**292,684**
Derivative financial instruments	41,649,342	102,051,110	**143,700,452**	29,845,656	98,594,686	**128,440,342**
Loans and advances to banks	152,825,081	-	**152,825,081**	142,489,543	-	**142,489,543**
Loans and advances to customers						
Auto Loan	6,341,170	11,438,338	**17,779,508**	5,503,495	10,138,372	**15,641,867**
Credit Card	6,682,170	12,428,820	**19,110,990**	5,431,274	-	**5,431,274**
Finance Lease	1,462,346	3,481,829	**4,944,175**	340,535	810,157	**1,150,691**
Mortgage Loan	42,087,859	99,794,711	**141,882,570**	31,717,346	83,841,516	**115,558,862**
Overdraft	252,985,681	-	**252,985,681**	132,813,921	-	**132,813,921**
Personal Loan	37,044,083	15,228,844	**52,272,928**	20,109,908	14,626,092	**34,736,000**
Term Loan	284,492,432	1,761,479,941	**2,045,972,373**	141,073,286	1,215,181,672	**1,356,254,958**
Time Loan	376,631,483	-	**376,631,483**	332,018,660	-	**332,018,660**
Pledged assets						
Treasury bills	522,956,307	-	**522,956,307**	380,688,816	-	**380,688,816**
Bonds	4,195,563	78,404,020	**82,599,583**	41,846,749	131,517,391	**173,364,139**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	232,813,374	-	**232,813,374**	195,218,225	-	**195,218,225**
Bonds	-	81,977,676	**81,977,676**	18,818,255	25,972,750	**44,791,006**

Promissory note	18	-	**18**	-	-	**-**
-Financial assets at amortised cost						
Treasury bills	379,283,381	-	**379,283,381**	102,564,048	-	**102,564,048**
Bonds	16,049,498	250,229,498	**266,278,996**	4,309,700	44,787,296	**49,096,996**
Promissory note	-		**-**	-	-	**-**
Restricted deposit and other assets	-	1,016,582,843	**1,016,582,843**	-	683,991,853	**683,991,853**
	3,750,263,553	**3,437,589,929**	**6,582,297,588**	**2,938,943,840**	**2,312,883,875**	**4,697,774,759**
Deposits from financial institutions	1,186,356,314	-	**1,186,356,314**	994,572,845	-	**994,572,845**
Deposits from customers	4,254,115,046	1,722,257	**4,255,837,303**	2,560,549,969	4,358,414	**2,564,908,383**
Derivative financial instruments	6,673,932	153,361	**6,827,294**	5,206,001	-	**5,206,001**
Debt securities issued	1,218,979	156,768,898	**157,987,877**	-	251,251,383	**251,251,383**
Other liabilities	-	315,626,032	**315,626,032**	-	168,516,338	**168,516,338**
Interest-bearing borrowings	4,484,994	582,117,836	**586,602,830**	237,804,414	150,612,320	**388,416,734**
	5,452,849,265	**1,056,388,384**	**6,509,237,650**	**3,798,133,229**	**574,738,455**	**4,372,871,684**

	December 2019			December 2018		
Bank	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
In thousands of Naira						
Cash and balances with banks	575,906,273	-	**575,906,273**	338,289,912	-	**338,289,912**
Investment under management	23,799,663	4,492,296	**28,291,959**	20,709,989	3,129,405	**23,839,394**
Non pledged trading assets						
Treasury bills	74,749,344	-	**74,749,344**	36,230,640	-	**36,230,640**
Bonds	17,933	2,204,485	**2,222,417**	-	291,070	**291,070**
Derivative financial instruments	41,428,962	102,051,110	**143,480,073**	29,539,103	98,594,686	**128,133,788**
Loans and advances to banks	164,413,001	-	**164,413,001**	100,993,103	-	**100,993,104**
Loans and advances to customers						
Auto Loan	685,393	5,782,560	**6,467,952**	827,364	5,462,241	**6,289,605**
Credit Card	4,984,546	12,428,820	**17,413,366**	4,028,064	-	**4,028,064**
Finance Lease	1,068,002	3,417,633	**4,485,635**	41,432	761,466	**802,898**
Mortgage Loan	164,020	1,972,420	**2,136,440**	35,327	9,916,805	**9,952,132**
Overdraft	245,768,584	-	**245,768,584**	120,192,436	-	**120,192,436**
Personal Loan	21,112,266	13,056,324	**34,168,590**	6,940,432	12,830,254	**19,770,687**
Term Loan	181,416,038	1,635,497,681	**1,816,913,719**	68,983,314	1,127,071,706	**1,196,055,020**
Time Loan	354,269,381	-	**354,269,381**	324,671,020	-	**324,671,020**
Pledged assets						
Treasury bills	522,956,307	-	**522,956,307**	380,688,816	-	**380,688,816**
Bonds	-	82,599,584	**82,599,584**	47,411,088	125,953,052	**173,364,139**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	77,898,453	-	**77,898,453**	48,881,703	-	**48,881,703**
Bonds	-	18,950,446	**18,950,446**	5,521,836	9,568,477	**15,090,313**
Promissory note	807,602	-	**807,602**			

-Financial assets at amortised cost						
Treasury bills	341,786,029	-	**341,786,029**	60,166,222	-	**60,166,222**
Bonds	23,881,032	237,791,842	**261,672,874**	2,437,601	23,151,224	**25,588,825**
Promissory note	58,664		**58,664**			
Restricted deposit and other assets	-	968,698,629	**968,698,629**	-	560,591,142	**560,591,142**
	3,262,727,383	**3,088,943,832**	**5,746,115,323**	**2,150,642,357**	**1,977,321,529**	**3,573,910,930**
Deposits from financial institutions	1,079,284,418	-	**1,079,284,418**	616,644,610	-	**616,644,610**
Deposits from customers	3,652,933,209	1,484,685	**3,654,417,894**	2,052,874,849	5,864,082	**2,058,738,931**
Derivative financial instruments	6,673,932	153,361	**6,827,294**	5,185,871	-	**5,185,871**
Debt securities issued	-	157,987,877	**157,987,877**	-	251,251,383	**251,251,383**
Other liabilities	295,184,125	-	**295,184,125**	138,650,548	-	**138,650,548**
Interest-bearing borrowings	2,452,481	538,201,289	**540,653,770**	222,661,079	141,021,360	**363,682,440**
	5,036,528,167	**697,827,212**	**5,734,355,381**	**3,036,016,959**	**398,136,825**	**3,434,153,782**

6 Capital management

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

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

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

IFRS 9 Regulatory Transition Arrangement

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

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

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Tier 1 capital with adjusted ECL impact				
Ordinary share capital	**17,772,613**	14,463,986	**17,772,613**	14,463,986
Share premium	**234,038,850**	197,974,816	**234,038,850**	197,974,816
Retained earnings	**225,118,811**	155,592,892	**192,378,618**	148,238,575
Add back IFRS impact(adjusted day one impact)	**79,253,886**	23,046,552	**79,253,886**	23,046,552
Other reserves	**124,733,788**	114,609,701	**98,751,022**	80,122,380
Non-controlling interests	**8,528,833**	7,870,360	**-**	-
	689,446,782	**513,558,307**	**622,194,988**	**463,846,307**
Add/(Less):				
Fair value reserve for available-for-sale	**(964,243)**	5,622,402	**(835,472)**	6,601,426
Foreign currency translation reserves	**(11,780,013)**	(15,586,697)	**-**	-
Other reserves	**(1,881,768)**	(1,725,386)	**(1,881,767)**	(1,725,385)
Total Tier 1	**674,820,757**	**501,868,626**	**619,477,748**	**468,722,348**
Add/(Less):				
50% Investments in subsidiaries	**-**	-	**(65,729,355)**	(55,601,748)
Deferred tax assets	**(8,807,563)**	(922,660)	**-**	-
Regulatory risk reserve	**(18,091,941)**	(19,942,296)	**(9,483,000)**	(9,483,000)
Intangible assets	**(65,932,754)**	(9,752,498)	**(71,003,729)**	(8,231,197)
Adjusted Tier 1	**581,988,499**	**471,251,172**	**473,261,665**	**395,406,403**
Tier 2 capital				
Debt securities issued	**128,469,000**	57,406,400	**128,469,000**	57,406,400
Fair value reserve for available-for-sale securities	**964,243**	(5,622,402)	**835,472**	(6,601,426)
Foreign currency translation reserves	**11,780,013**	15,586,697	**-**	-
Other reserves	**1,881,768**	1,725,386	**1,881,767**	1,725,385
50% Investments in subsidiaries	**-**	-	**(65,729,355)**	(55,601,748)
Total Tier 2	**143,095,024**	**69,096,081**	**65,456,884**	**(3,071,389)**
Adjusted Tier 2 capital (33% of Tier 1)	**143,095,024**	**69,096,081**	**65,456,885**	**(3,071,388)**
Total regulatory capital	**725,083,522**	**540,347,253**	**538,718,550**	**392,335,015**
Risk-weighted assets	**3,621,011,364**	**2,600,099,302**	**3,052,419,013**	**2,278,400,034**
Capital ratios				

Total regulatory capital expressed as a percentage of total risk-weighted assets	**20.02%**	20.78%	**17.65%**	17.22%
Total tier 1 capital expressed as a percentage of risk-weighted assets	**16.07%**	18.12%	**15.50%**	17.35%

IFRS 9 Regulatory Transition Arrangement computation

IFRS 9 impact	**(264,255,539)**	(73,469,186)	**(264,255,539)**	(73,469,186)
Transfer from regulatory risk reserve	**66,120,824**	35,058,266	**66,120,824**	35,058,266
Net impact	**(198,134,715)**	(38,410,920)	**(198,134,715)**	(38,410,920)
Provision basis	**0.40**	0.60	**0.40**	0.60
IFRS 9 Regulatory Transition Arrangement	**79,253,886**	**23,046,552**	**79,253,886**	**23,046,552**

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

Capital adequacy ratio without adjustment

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

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
In thousands of Naira				
Tier 1 capital without adjusted ECL impact				
Ordinary share capital	**17,772,613**	14,463,986	**17,772,613**	14,463,986
Share premium	**234,038,850**	197,974,816	**234,038,850**	197,974,816
Retained earnings	**225,118,811**	155,592,892	**192,378,618**	148,238,575
Other reserves	**124,733,788**	114,609,701	**98,751,022**	80,122,380
Non-controlling interests	**8,528,833**	7,870,360	**-**	-
	610,192,896	**490,511,755**	**542,941,103**	**440,799,757**
Add/(Less):				
Fair value reserve for available-for-sale	**(964,243)**	5,622,402	**(835,472)**	6,601,426
Foreign currency translation reserves	**(11,780,013)**	(15,586,697)	**-**	-
Other reserves	**(1,881,768)**	(1,725,386)	**(1,881,767)**	(1,725,385)
Total Tier 1	**595,566,873**	**478,822,074**	**540,223,864**	**445,675,797**
Add/(Less):				
50% Investments in subsidiaries	**-**	-	**(65,729,355)**	(55,601,748)
Deferred tax assets	**(8,807,563)**	(922,660)	**-**	-
Regulatory risk reserve	**(18,091,941)**	(19,942,296)	**(9,483,000)**	(9,483,000)
Intangible assets	**(65,932,754)**	(9,752,498)	**(71,003,729)**	(8,231,197)
Adjusted Tier 1	**502,734,615**	**448,204,620**	**394,007,780**	**372,359,855**
Tier 2 capital				
Debt securities issued	**128,469,000**	57,406,400	**128,469,000**	57,406,400
Fair value reserve for available-for-sale securities	**964,243**	(5,622,402)	**835,472**	(6,601,426)
Foreign currency translation reserves	**11,780,013**	15,586,697	**-**	-
Other reserves	**1,881,768**	1,725,386	**1,881,767**	1,725,385
50% Investments in subsidiaries	**-**	-	**(65,729,355)**	(55,601,748)
Total Tier 2	**143,095,024**	**69,096,081**	**65,456,884**	**(3,071,389)**
Adjusted Tier 2 capital (33% of Tier 1)	**143,095,024**	**69,096,081**	**65,456,884**	**(3,071,390)**
Total regulatory capital	**645,829,639**	**517,300,701**	**459,464,665**	**369,288,465**
Risk-weighted assets	**3,554,890,540**	**2,600,099,302**	**2,986,298,189**	**2,278,400,034**

Capital ratios

Total regulatory capital expressed as a percentage of total risk-weighted assets	**18.17%**	19.90%	**15.39%**	16.21%
Total tier 1 capital expressed as a percentage of risk-weighted assets	**14.14%**	17.24%	**13.19%**	16.34%

7 Operating segments

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

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

- **Corporate and Investment Banking -** The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank's clients as well as relationship banking services to the Bank's financial institutions customers.

- **Commercial banking -** The commercial banking division has presence in all major cities in the country. It provides commercial banking products and services to the non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.

- **Personal banking –** The personal banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment . The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad.

- **Business Banking -** The Business banking division is a hybrid of Commercial and retail Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

All of the Segments reported at the end of the year 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

In thousands of Naira	Group December 2019	Group December 2018
Other Assets	1,055,510,452	704,326,780
Deferred tax (net)	8,807,563	922,660
Assets Held for Sale	24,957,519	12,241,824
Goodwill	57,189,153	681,007
	1,146,464,687	718,172,271
Other liabilities	324,333,873	246,438,951
Debt Securities issued	157,987,877	251,251,383
Interest-bearing loans and borrowings	586,602,830	388,416,734
Deferred tax	11,272,928	6,456,840
Retirement Benefit Obligation	3,609,037	2,336,183
Total liabilities	1,083,806,545	894,900,091

Material revenue and expenses

	Group December 2019	Group December 2018
Interest expense on eurobond	22,913,352	22,913,352
	22,913,352	22,913,352

7a Operating segments (continued)

December 2019

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	254,417,337	148,861,002	40,344,338	223,130,923	-	666,753,600	666,753,600
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	254,417,337	148,861,002	40,344,338	223,130,923	-	666,753,600	666,753,600
Interest Income	209,609,587	167,865,932	33,936,015	125,435,254	-	536,846,788	536,846,788
Interest expense	(105,512,905)	(77,720,734)	(14,243,479)	(39,227,323)	(22,913,352)	(259,617,792)	(259,617,792)
Impairment Losses	(8,963,226)	(9,585,092)	2,040,554	(3,681,629)	-	(20,189,393)	(20,189,393)
Profit/(Loss) on ordinary activities before taxation	76,773,700	19,416,879	1,084,898	18,103,102	-	115,378,580	115,378,580
Income tax expense	(4,777,999)	(5,899,391)	(750,595)	(6,440,934)		(17,868,920)	(17,868,920)
Profit after tax						97,509,660	97,509,660
Assets and liabilities:							
Loans and Advances to banks and customers	1,370,155,157	1,283,314,337	143,528,577	267,406,717	-	3,064,404,788	3,064,404,788
Goodwill	-	-	-	-	57,189,153	57,189,153	57,189,153
Tangible segment assets	2,789,878,313	2,576,723,412	352,297,683	281,246,050	-	6,000,145,458	6,000,145,458
Unallocated segment assets	-	-	-	-	1,146,464,687	1,146,464,687	1,146,464,687
Total assets	2,789,878,313	2,576,723,412	352,297,683	281,246,050	1,146,464,687	7,146,610,145	7,146,610,145

Deposits from customers	1,238,932,440	880,391,040	315,565,547	1,820,948,275	-	4,255,837,303	4,255,837,303
Segment liabilities	1,360,937,180	1,352,167,101	484,667,984	2,254,838,443	-	5,452,610,707	5,452,610,707
Unallocated segment liabilities	-	-	-	-	1,083,806,545	1,083,806,545	1,083,806,545
Total liabilities	1,360,937,180	1,352,167,101	484,667,984	2,254,838,443	1,083,806,545	6,536,417,252	6,536,417,252
Net assets	1,428,941,133	1,224,556,311	(132,370,301)	(1,973,592,393)	62,658,142	610,192,893	610,192,895

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

December 2018

Operating segments (continued)

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	90,952,844	74,893,043	41,396,673	45,781,629	-	253,024,189	253,024,189
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	90,952,844	74,893,043	41,396,673	45,781,629	-	253,024,189	253,024,189
Interest Income	62,621,247	89,611,927	16,428,796	18,024,436	-	186,686,407	186,686,407
Interest expense	(34,658,159)	(43,303,906)	(2,581,684)	(2,837,789)	(18,008,423)	(101,389,962)	(101,389,962)
Impairment Losses	(4,622,291)	(3,075,219)	537,191	(179,887)	-	(7,340,206)	(7,340,206)
Profit/(Loss) on ordinary activities before taxation	28,271,016	12,104,309	2,774,954	2,692,462	-	45,842,742	45,842,742
Income tax expense						(6,217,565)	(6,217,565)
Profit after tax						39,625,177	39,625,177

December 2018

	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Assets and liabilities:							
Loans and Advances to banks and customers	790,973,600	1,237,109,268	61,916,872	46,096,036	-	2,136,095,776	2,136,095,776
Goodwill	-	-	-	-	681,007	681,007	681,007
Tangible segment assets	1,570,206,470	2,566,144,002	92,632,615	57,314,739	-	4,286,297,826	4,286,297,826
Unallocated segment assets	-	-	-	-	718,172,271	718,172,271	718,172,271

Total assets	1,570,206,470	2,566,144,002	92,632,615	57,314,739	718,172,271	5,004,470,097	5,004,470,097
Deposits from customers	1,008,307,962	805,578,353	331,112,159	435,250,133	-	2,580,248,607	2,580,248,607
Segment liabilities	1,504,557,085	1,164,929,723	370,069,506	544,529,001	-	3,584,085,315	3,584,085,315
Unallocated segment liabilities	-	-	-	-	894,900,091	894,900,091	894,900,091
Total liabilities	1,504,557,085	1,164,929,723	370,069,506	544,529,001	894,900,091	4,478,985,406	4,478,985,406
Net assets	65,649,385	1,401,214,279	(277,436,891)	(487,214,262)	(176,727,820)	525,484,689	525,484,689

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

December 2019 In thousands of Naira	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Discontinued Operations	Intercompany elimination	Total
Derived from external customers	572,060,173	61,714,004	42,156,707	675,930,884	402,718	(9,580,005)	666,753,597
Derived from other segments	-	-	-	-	-	-	-
Total revenue	572,060,173	61,714,004	42,156,707	675,930,884	-	(9,580,005)	666,753,597
Interest income	471,468,768	41,355,942	33,602,081	546,426,791	-	(9,580,005)	536,846,786
Impairment losses	(21,055,479)	1,214,628	(348,543)	(20,189,395)	-	-	(20,189,395)
Interest expense	(238,708,397)	(19,162,924)	(11,326,476)	(269,197,796)	-	9,580,005	(259,617,791)
Net fee and commission income	58,249,344	15,592,086	205,923	74,047,353	-		74,047,353
Operating income	333,351,777	42,551,080	30,830,231	406,733,087	402,718	-	407,135,806
Profit before income tax	82,666,776	12,166,977	20,544,826	115,378,579	-	-	115,378,579
Assets and liabilities:							
Loans and advances to customers and banks	2,646,036,672	109,740,491	575,848,422	3,331,625,585	-	(267,220,794)	3,064,404,791
Total assets	6,311,041,282	463,255,864	923,193,664	7,697,490,810	-	(550,880,666)	7,146,610,143
Deposit from customers	3,668,339,811	306,476,348	281,021,142	4,255,837,302	-	-	4,255,837,302
Total liabilities	5,768,100,182	398,118,129	782,025,377	6,948,243,688	-	(411,814,937)	6,536,428,751
Net assets	542,941,100	65,137,735	141,168,287	749,247,122	-	(139,065,728)	610,181,393

December 2018	Nigeria	Rest of Africa	Europe	Total continuing operations	Discontinued operations	Intercompany elimination	Total
Derived from external customers	212,678,259	29,821,868	14,545,956	257,046,082	-	(4,021,892)	253,024,190
Derived from other segments	-	-	-	-	-	-	-
Total revenue	212,678,259	29,821,868	14,545,956	257,046,082	-	(4,021,892)	253,024,190
Interest income	158,406,835	20,713,228	11,588,236	190,708,299	-	(4,021,892)	186,686,407
Impairment losses	(6,838,363)	(279,602)	(222,242)	(7,340,206)	-		(7,340,206)
Interest expense	(93,542,436)	(8,749,325)	(3,120,094)	(105,411,854)	-	4,021,892	(101,389,962)
Net fee and commission income	23,408,072	3,724,104	2,934,795	30,066,970	-		30,066,970
Operating income	119,135,823	21,072,543	11,425,862	151,634,228	-	-	151,634,227
Profit before income tax	32,208,074	7,174,078	6,460,589	45,842,742	-	-	45,842,742

December 2018							
Assets and liabilities:							
Loans and advances to customers and banks	1,782,754,978	97,592,515	403,312,846	2,283,660,339	-	(147,564,563)	4,419,756,115
Non current asset							
Goodwill	-	681,007	-	681,007	-		681,007
Total assets	3,968,114,609	409,930,108	882,599,681	5,260,644,398	-	(306,487,459)	4,954,156,939
Deposit from customers	2,058,738,930	284,401,954	221,767,500	2,564,908,383	-	-	2,564,908,383

Total liabilities	3,527,314,852	340,358,312	788,535,687	4,656,208,851	-	(199,904,699)	4,456,304,152
Net assets	440,799,757	69,571,796	94,063,994	604,435,547	-	(106,582,760)	497,852,787

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 year ended 31 December 2019 and for the year ended 31 December 2018. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.

8 Interest income

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Interest income				
Cash and balances with banks	**9,210,581**	15,029,042	**6,089,179**	3,504,556
Loans and advances to banks	**5,574,597**	2,233,049	**2,585,672**	1,766,028
Loans and advances to customers	**328,635,871**	259,837,000	**289,543,542**	223,790,117
Investment securities				
-Financial assets at FVOCI	**69,903,209**	59,208,544	**58,416,243**	49,509,633
-Financial assets at amortised cost	**40,225,955**	23,999,981	**34,824,373**	15,020,430
	453,550,213	360,307,616	**391,459,009**	293,590,764
-Financial assets at FVPL	**83,296,576**	20,607,306	**80,009,759**	19,483,392
	536,846,789	**380,914,922**	**471,468,768**	**313,074,156**
Interest expense				
Deposit from financial institutions	**44,108,564**	39,104,528	**45,307,058**	36,619,294
Deposit from customers	**168,565,047**	125,109,214	**147,879,993**	105,973,086
Debt securities issued	**22,913,352**	32,378,560	**22,913,352**	32,378,560
Lease liabilities	**1,122,276**	-	**742,971**	-
Interest bearing borrowings and other borrowed funds	**22,908,552**	10,744,458	**21,865,024**	9,886,470
	259,617,791	**207,336,761**	**238,708,397**	**184,857,410**
Net interest income	**277,228,998**	**173,578,161**	**232,760,370**	**128,216,746**

Interest income for the year ended 31 December 2019 includes interest accrued on impaired financial assets of Group: N3.21Bn (31 December 2018: N4.7Bn) and Bank: N408.46Mn (31 December 2018: N736Mn).

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

9 Net impairment charge on financial assets

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Allowance for impairment on loans and advance to banks (note 22)	**(1,537,520)**	(23,521)	**(1,281,782)**	(23,521)
Allowance for impairment on loans and advance to customers (note 23) (a)	**(20,032,578)**	(14,160,142)	**(21,412,497)**	(10,372,480)
Write back/(allowance) on impairment on financial assets in other assets (note 26)	**3,200,712**	(72,368)	**3,220,284**	94,550

Allowance for impairment on off balance sheet items (note 34c)	**(1,266,048)**	(445,631)	**(1,190,751)**	(445,632)
Allowance for impairment on money market placement (note 18b)	**(91,339)**	(8,402)	**(534)**	(8,402)
(Allowance)/write back of impairment on investment securities at amortized cost (note 25 (a))	**(462,619)**	53,341	**(390,201)**	53,341
	(20,189,392)	(14,656,723)	**(21,055,481)**	(10,702,144)

10 (a) Fee and commission income

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Credit related fees and commissions	**26,561,530**	31,688,763	**17,683,528**	24,184,629
Account maintenance charge and handling commission	**14,006,591**	6,426,482	**13,094,190**	5,838,171
Commission on bills and letters of credit	**2,997,936**	2,248,154	**2,795,349**	2,005,225
Commissions on collections	**317,824**	264,553	**217,392**	211,348
Commission on other financial services	**7,870,500**	4,755,157	**5,502,930**	2,820,762
Commission on foreign currency denominated transactions	**2,413,190**	2,403,635	**1,626,951**	1,638,929
Channels and other E-business income	**36,040,864**	14,164,414	**32,979,392**	10,879,570
Retail account charges	**1,636,968**	144,388	**1,465,506**	5,806
	91,845,403	**62,095,546**	**75,365,238**	**47,584,440**

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

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

10 (b) Fee and commission expense

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Bank and electronic transfer charges	**2,231,967**	1,443,066	**1,549,919**	936,695
E-banking expense	**15,566,083**	8,157,827	**15,565,975**	8,157,775
	17,798,050	**9,600,893**	**17,115,894**	**9,094,470**

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

11 Net gain on financial instruments

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Trading gains on Fixed income securities	37,845,695	24,773,605	36,551,404	23,847,631
Derivative instruments	14,208,379	35,844,532	14,199,030	35,732,387
Fair value gain on equity investments	11,237,409	35,706,212	11,237,409	35,706,213
Gain on disposal of investment	2,265,686	-	2,265,686	-
Total	65,557,169	96,324,349	64,253,529	95,286,231

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Fixed income securities	545,105	-	458,072	-
	545,105	-	458,072	-
Total	66,102,274	96,324,349	64,711,601	95,286,231

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

Fair value gain on equity investments is from investments in which the Bank has interests. As required by IFRS 9, the Bank measures changes in fair value of equity investments through profit or loss.

Gain on derivative instruments are from transactions to which the Bank is a party in the normal course of business and are held at fair value. Derivative financial instruments consist of forward, swap and future contracts.

12 Net foreign exchange loss

In thousands of Naira

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Foreign exchange trading loss	**(64,823,168)**	15,727,261	**(76,009,215)**	6,258,807
Unrealised foreign exchange loss on revaluation	**(19,053,227)**	(39,496,188)	**(17,029,703)**	(37,472,664)
	(83,876,395)	**(23,768,927)**	**(93,038,918)**	**(31,213,855)**

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

13 Other operating income

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Dividends on equity securities	**3,151,485**	2,747,925	**3,151,485**	2,747,925
Gain on disposal of property and equipment	**594,872**	81,797	**183,049**	57,210
Rental income	**5,193**	21,357	**-**	9,372
Bad debt recovered	**38,389,088**	2,191,390	**37,783,409**	1,205,722
Cash management charges	**932,805**	249,891	**932,805**	249,891
Income from agency and brokerage	**475,587**	385,385	**466,801**	385,383
Income from asset management	**2,953,236**	2,452,936	**2,953,236**	2,452,936
Income from other investments	**845,403**	815,425	**-**	-
Income from other financial services	**8,462,861**	4,232,582	**8,082,700**	3,903,626
Valuation gain on investment property	**25,000**	-	**-**	-
	55,835,530	**13,178,688**	**53,553,485**	**11,012,065**

14 Personnel expenses

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Wages and salaries	**73,155,267**	54,209,260	**57,763,464**	38,147,096
Increase in defined benefit obligation (see note 37 (a) (i))	**600,060**	621,593	**600,060**	621,593
Contributions to defined contribution plans	**2,188,696**	1,477,026	**1,364,008**	820,967
Restricted share performance plan (b)	**1,020,115**	836,160	**985,315**	836,160
	76,964,138	**57,144,039**	**60,712,847**	**40,425,816**

(a) Under the Restricted Share Performance Plan (RSPP), shares of the Bank are awarded to employees based on their performance at no cost to them. Under the terms of the plan, the shares vest over a 3 year period from the date of award. The scheme applies to only employees of the Bank that meet the stipulated performance criteria irrespective of where they work within the Group. Some members of the Group also have a similar scheme, over the vesting period of 7 years. The RSPP is an equity-settled scheme, where the Bank recognizes an expense and a corresponding increase in equity. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions.

By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding twenty (20) per cent of the aggregate emoluments of the Bank's employees in each financial year to purchase shares of the Bank from the floor of the Nigerian Stock Exchange for the purpose of the plan. The Bank has also established a Structured Entity (SE) to hold shares of the Bank purchased. Upon vesting, the SE transfers the shares to the employee whose interest has vested. The SE is consolidated in the Group's financial statements.

(i) The shares allocated to staff has a contractual vesting year of three to seven years commencing from the year of purchase/allocation to the staff. The Group has no legal or constructive obligation to repurchase or settle on a cash basis.

(ii) The number and weighted-average exercise prices of shares has been detailed in table below;

Group

		December 2019		December 2018	
Description of shares		**Number of Shares**	**Weighted Share Price per Share - Naira**	**Number of Shares**	**Weighted Share Price per Share - Naira**
(i)	Shares allocated to staff at start of the year;	522,296,572	7.93	646,955,092	5.80
(ii)	Shares allocated during the year	139,165,301	6.08	144,652,055	9.22
(iii)	Forfeited during the year;	(87,191,262)	9.36	(163,285,300)	6.35
(iv)	Exercised during the year;	(181,372,881)	5.66	(158,935,735)	5.94
(v)	Shares allocated to staff at end of the year;	**392,897,730**	**8.42**	**469,386,112**	**8.01**
Shares under the scheme at the end of the year		563,504,767	8.28	522,296,572	7.93
		Naira ('000)	**Price per Share - Naira**	**Naira ('000)**	**Price per Share - Naira**
Share based expense recognised during the year		1,020,115	8.42	836,160	8.01

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Vesting year	Expiry date	Shares
Outstanding allocated shares for the 2017 - 2020 vesting period	2017 - 2020	1 Jan 2020	102,412,024
Outstanding allocated shares for the 2017 - 2020 vesting period	2017 - 2020	1 Jul 2020	28,922,750
Outstanding allocated shares for the 2018 - 2021 vesting period	2018-2021	1 Jan 2021	93,927,125
Outstanding allocated shares for the 2018 - 2021 vesting period	2018-2021	1 Jul 2021	19,943,831
Outstanding allocated shares for the 2019 - 2022 vesting period	2019-2022	1 Jul 2022	147,692,000
			392,897,730

Bank

Description of shares		December 2019 Number of Shares	December 2019 Weighted Share Price per Share - Naira	December 2018 Number of Shares	December 2018 Weighted Share Price per Share - Naira
(i)	Shares allocated to staff at start of the year;	451,894,911	8.04	583,799,951	5.80
(ii)	Shares allocated during the year	138,115,518	6.80	137,405,535	10.04
(iii)	Forfeited during the year;	(87,191,262)	9.36	(163,285,300)	6.35
(iv)	Exercised during the year;	(181,372,881)	5.66	(158,935,735)	5.94
(v)	Shares allocated to staff at end of the year;	**321,446,286**	**9.17**	**398,984,451**	**9.11**
(vi)	Shares under the scheme at the end of the year	492,053,323	8.28	451,894,911	8.04

	Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the year	985,315	9.17	836,160	9.11

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Vesting year	Expiry date	Shares
Outstanding allocated shares for the 2017 - 2020 vesting period	2017 - 2020	1 Jan 2020	90,542,767
Outstanding allocated shares for the 2017 - 2020 vesting period	2017 - 2020	1 Jul 2020	20,014,176
Outstanding allocated shares for the 2018 - 2021 vesting period	2018-2021	1 Jan 2021	79,018,551
Outstanding allocated shares for the 2018 - 2021 vesting period	2018-2021	1 Jul 2021	7,995,940
Outstanding allocated shares for the 2019 - 2022 vesting period	2019-2022	1 Jan 2022	107,420,794
Outstanding allocated shares for the 2019 - 2022 vesting period	2019-2022	1 Jul 2022	16,454,058
			321,446,286

i. The weighted average remaining contractual life of the outstanding allocated shares is :

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
	years	years	years	years
Weighted average contractual life of remaining shares	0.65	2.33	0.60	1.08

Under the restricted share performance plan, N925.37 million worth of shares were granted to employees of the Bank at a wieghted avearge fair value of N6.7 per share on grant date. The fair value of shares is the grant date fair value of each ordinary shares of the Bank listed on the floor of the Nigerian Stock Exchange

ii. The average number of persons other than directors, in employment at the Group level during the year comprise:

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
	Number	Number	Number	Number
Managerial	**345**	275	**292**	224
Other staff	**6,553**	3,998	**5,578**	3,175
	6,898	4,273	**5,870**	3,399

iii. Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
	Number	Number	Number	Number
Below N900,000	**-**	-	**-**	-
N900,001 - N1,990,000	**-**	10	**-**	10
N1,990,001 - N2,990,000	**612**	-	**612**	-
N2,990,001 - N3,910,000	**3**	-	**3**	-
N3,910,001 - N4,740,000	**1,404**	1,636	**1,135**	1,411
N4,740,001 - N5,740,000	**6**	-	**6**	-
N5,740,001 - N6,760,000	**1,894**	792	**1,677**	587
N6,760,001 - N7,489,000	**-**	-	**-**	-
N7,489,001 - N8,760,000	**1,093**	628	**882**	452
N8,760,001 - N9,190,000	**877**	466	**714**	340
N9,190,001 - N11,360,000	**-**	-	**-**	-
N11,360,001 - N14,950,000	**652**	466	**547**	375
N14,950,001 - N17,950,000	**-**	-	**-**	-
N17,950,001 - N21,940,000	**157**	199	**136**	164
N21,940,001 - N26,250,000	**97**	41	**85**	30
N26,250,001 - N30,260,000	**-**	-	**-**	-
N30,261,001 - N45,329,000	**79**	35	**58**	30
Above N45,329,000	**24**	-	**15**	-
	6,898	**4,273**	**5,870**	**3,399**

15 Other operating expenses

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Premises and equipment costs	**13,362,597**	9,532,943	**11,632,172**	7,174,790
Professional fees	**6,593,943**	4,236,696	**5,398,715**	2,639,753
Insurance	**1,178,801**	1,245,924	**922,740**	953,585
Business travel expenses	**10,497,508**	6,879,188	**9,663,527**	5,955,652
Asset Management Corporation of Nigeria (AMCON) surcharge (see note (a) below)	**22,664,874**	20,035,484	**22,664,874**	20,035,484
Bank charges	**5,943,323**	1,454,543	**4,702,183**	1,158,287
Deposit insurance premium	**13,091,170**	7,848,190	**13,003,914**	7,848,190
Auditor's remuneration	**819,940**	612,978	**603,000**	420,000
Administrative expenses	**11,387,154**	20,289,826	**8,200,832**	17,859,791
Merger expense	**6,589,718**	-	**6,589,718**	-
Board expenses	**1,063,681**	1,175,100	**732,361**	870,680
Communication expenses	**3,326,899**	3,130,746	**2,202,869**	1,832,276
IT and e-business expenses	**9,772,169**	11,398,827	**8,107,826**	8,920,506
Outsourcing costs	**16,668,063**	8,685,836	**15,666,157**	7,519,388
Advertisements and marketing expenses	**6,273,743**	4,861,978	**5,686,650**	3,964,028
Recruitment and training	**2,207,379**	2,502,933	**1,828,270**	2,098,668
Events, charities and sponsorship	**5,688,399**	4,679,921	**5,437,900**	4,504,584
Periodicals and subscriptions	**722,989**	702,583	**455,743**	449,183
Security expenses	**4,295,939**	2,817,740	**3,790,966**	2,272,817
Loss on disposal of non current asset held for sale	**198,850**	-	**198,850**	-
Loss on disposal of investment property	**153,946**	-	**153,946**	-
Loss on lease modification	**63,329**	-	**63,329**	-
Cash processing and management cost	**3,656,564**	2,295,077	**3,509,930**	2,069,935
Stationeries, postage and printing	**1,937,080**	1,201,742	**1,599,097**	870,475
Office provisions and entertainment	**720,634**	561,230	**472,112**	302,486
Rent expenses	**2,219,415**	-	**1,699,092**	-
	151,098,114	**116,149,491**	**134,986,775**	**99,720,558**

16 Income tax

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Current tax expense				
Corporate income tax	**10,103,420**	10,982,608	**-**	4,369,339
Minimum tax	**2,981,861**	-	**2,981,861**	-
IT tax	**831,693**	752,431	**826,668**	752,431
Education tax	**9,895**	371	**-**	-
Capital gains tax	**7,274**	17,772	**7,274**	17,772
Police fund tax levy	**4,151**	-	**4,133**	-
Prior year's under provision	**88**	-	**-**	-
	13,938,382	11,753,182	**3,819,936**	5,139,542
Deferred tax expense				
Origination of temporary differences	**3,930,538**	(3,546,565)	**5,277,786**	(3,487,691)
Income tax expense	**17,868,920**	8,206,617	**9,097,722**	1,651,851

The new Finance Act 2019 was introduced to amend some of the existing tax laws in Nigeria and to further reduce ambiguity that might or might not have existed. An assessment was carried out on Access Bank Plc for the year ended December 31, 2019 to identify areas of uncertainty in tax treatment in accordance with IFRIC 23. There has been some changes to the Company Income tax brought about by the New Finance Act. this addresses the areas of losses of a capital nature, expenses incurred for the purpose of deriving tax-exempt income, taxes or penalties borne on behalf of another person and other changes as can be seen from the standard

The computation of the Bank's income tax expense and deferred tax was carried out in accordance with the new 2019 Finance Act, CITA and other relevant tax laws. The changes made by the new act was incorporated in the Bank tax computation and it is believed by the management of the Bank that there is no uncertainty over its Income and Deferred tax treatment that relevant tax authorities may disagree with.

The movement in the current income tax liability is as follows:

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Balance at the beginning of the year	**4,057,861**	7,489,584	**2,939,801**	4,547,920
Acquired from business combination	**472,844**	-	**327,525**	-
Tax paid	**(14,686,580)**	(14,961,654)	**(5,677,826)**	(6,747,660)
Income tax charge	**13,938,382**	11,753,182	**3,819,936**	5,139,541
Prior year's under/excess provision	**-**	5,176	**-**	-
Translation adjustments	**(251,097)**	(228,426)	**-**	-
Balance at the end of the year	**3,531,410**	**4,057,862**	**1,409,436**	**2,939,801**

Income tax liability is to be settled within one year

Income tax for the Bank has been assessed under the minimum tax regulation.

In thousands of Naira	Group December 2019	Group December 2019	Group December 2018	Group December 2018
Profit before income tax		115,378,579		103,187,703
Income tax using the domestic tax rate	30%	34,613,574	30%	30,956,311
Effect of tax rates in foreign jurisdictions	-5%	(5,724,659)	-2%	(2,070,999)
Information technology tax	1%	830,185	1%	752,431
Capital allowance utilised for the year	0%	-	0%	425
Non-deductible expenses	22%	25,885,701	40%	41,615,582
Tax exempt income	-41%	(46,953,907)	-58%	(59,547,482)
Tax losses unutilised	0%	-	0%	-
Education tax levy	0%	9,895	0%	-
Capital gain tax	0%	6,281	0%	17,166
Capital allowance	8%	9,201,850	-8%	(7,856,009)
Under provided in prior years	0%	-	0%	-
Minimum tax effect	0%	-	4%	4,339,196
Effective tax rate	**15%**	**17,868,918**	**8%**	**8,206,617**

In thousands of Naira	Bank December 2019	Bank December 2019	Bank December 2018	Bank December 2018
Profit before income tax		82,666,776		75,248,146
Income tax using the domestic tax rate	30%	24,800,033	30%	22,574,444
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	826,668	1%	752,431
Non-deductible expenses	24%	19,810,104	55%	41,043,328
Tax exempt income	-55%	(45,552,340)	-79%	(59,214,565)
Education tax levy	0%	-	0%	-
Capital gain tax	0%	7,274	0%	17,772
Nigerian Police fund levy	0%	4,132	0%	-
Effect of prior year under provision	0%	-	0%	-
Capital allowance	11%	9,201,850	-10%	(7,856,009)
Minimum tax effect	0%	-	6%	4,339,196
Effective tax rate	**11%**	**9,097,721**	**2%**	**1,656,595**

Current income tax liabilities are due within 12 months from the year end date

17 Earnings per share

(a) Basic from continuing operations

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Profit for the year from continuing operations	**96,501,925**	94,018,241	**73,569,054**	73,596,295
Weighted average number of ordinary shares in issue	**33,890,912**	28,927,972	**33,890,912**	28,927,972
Weighted average number of treasury Shares	**563,505**	522,297	**-**	-
	33,327,408	28,405,675	**33,890,912**	28,927,972
In kobo per share				
Basic earnings per share from continuing operations	**290**	331	**217**	254

Diluted EPS

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Profit for the year from continuing operations	**96,501,925**	94,018,241	**73,569,054**	73,596,295
Weighted average number of ordinary shares in issue	**33,890,912**	28,927,972	**33,890,912**	28,927,972
In kobo per share				
Diluted earnings per share from continuing operations	**285**	325	**217**	254

18 Cash and balances with banks

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Cash on hand and balances with banks (see note (i))	**457,085,624**	414,228,673	**346,003,407**	208,113,599
Unrestricted balances with central banks	**117,883,814**	29,366,693	**97,734,073**	6,759,948
Money market placements	**48,838,459**	220,309,727	**32,822,516**	46,392,634
Other deposits with central banks (see note (ii)	**99,347,553**	77,024,474	**99,347,553**	77,024,474
	723,155,450	**740,929,568**	**575,907,549**	**338,290,655**
ECL on Placements	**(91,447)**	(3,206)	**(1,275)**	(742)
	723,064,003	**740,926,361**	**575,906,273**	**338,289,913**

(i) Included in cash on hand and balances with banks is an amount of N25.97Bn (31 Dec 2018: N23.30Bn) 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 N99.35bn 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 December 2019	Group December 2018	Bank December 2019	Bank December 2018
Opening balance at beginning of the year	**3,206**	-	**742**	-
Impact of IFRS 9 application	**-**	4,118	**-**	1,653
Acquired from business combination	**4,064**	-	**4,064**	-
Additional allowance	**-**	8,402	**-**	8,402
-Charge for the period	**91,339**	-	**534**	-
Write off	**(7,161)**	(9,314)	**(4,064)**	(9,313)
Closing balance	**91,447**	**3,206**	**1,275**	**742**

The sum of N4.06Mn and N7.16Mn write off in both bank and Group represents the write off attributable to residual balances in interest receivable.

19 Investment under management

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Relating to unclaimed dividends:				
Government bonds	**2,054,650**	727,220	**2,054,650**	727,220
Placements	**9,779,427**	7,378,561	**9,779,427**	7,378,561
Commercial paper	**6,849,720**	3,200,134	**6,849,720**	3,200,134
Nigerian treasury bills	**4,280,814**	7,468,814	**4,280,814**	7,468,814
Mutual funds	**2,889,702**	2,662,480	**2,889,702**	2,662,480
Eurobonds	**2,437,646**	2,402,185	**2,437,646**	2,402,185
	28,291,959	**23,839,395**	**28,291,959**	**23,839,394**

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

20 Non pledged trading assets

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Government bonds	**40,021,277**	292,684	**2,222,417**	291,070
Treasury bills	**89,797,961**	38,465,116	**74,749,344**	36,230,640
Equity securities	**-**	59,347	**-**	59,348
	129,819,239	**38,817,147**	**76,971,761**	**36,581,058**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2019		December 2018	
Group				
Foreign exchange derivatives				
Total derivative assets	**1,200,294,464**	**143,520,553**	**806,828,924**	**128,440,342**
Non-deliverable future contracts	**-**	**1,073,677**	-	367,238
Forward and swap contracts	**1,215,811,042**	**142,446,876**	806,828,924	128,073,104
Total derivative liabilities	**82,812,664**	**(6,885,679)**	**128,420,522**	**(5,205,999)**
Non-deliverable future contracts	**-**	**(1,027,272)**	-	(259,483)
Forward and swap contracts	**82,812,664**	**(5,858,408)**	128,420,522	(4,946,520)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2019		December 2018	
Bank				
Foreign exchange derivatives				
Total derivative assets	**1,150,759,629**	**143,480,073**	**741,777,511**	**128,133,789**
Non-deliverable future contracts	**-**	**1,073,677**	-	367,238
Forward and swap contracts	**1,150,759,629**	**142,406,396**	741,777,511	127,766,551
Total derivative liabilities	**78,393,273**	**(6,827,293)**	**122,769,600**	**(5,185,870)**
Non-deliverable future contracts	**-**	**(1,027,272)**	-	(259,483)
Forward and swap contracts	**78,393,273**	**(5,800,021)**	122,769,600	(4,926,387)

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

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

22 Loans and advances to banks

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Loans and advances to banks	**154,450,204**	**142,569,748**	165,774,988	101,073,321
Less allowance for impairment losses	**(1,625,123)**	**(80,205)**	(1,361,987)	(80,205)
	152,825,081	**142,489,543**	**164,413,001**	**100,993,116**

Group

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	270,188	-	-	270,188
Non Investment	-	-	1,354,935	1,354,935
Total	**270,188**	**-**	**1,354,935**	**1,625,122**

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

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	5,054	-	-	5,054
Standard grade	30,124	-	-	30,124
Non Investment	-	-	45,027	45,027
Total	**35,178**	**-**	**45,027**	**80,205**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Restated ECL allowance as at 1 January 2018	41,481	25	55,643	97,148
-Charge for the year:				
Total net P&L charge during the year	(6,303)	(25)	29,849	23,520
Amounts written off	-	-	(40,465)	(40,465)
At 31 December 2018	**35,178**	**-**	**45,027**	**80,205**

Bank

Loans to banks

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	7,053	-	-	7,053
Non Investment	-	-	1,354,935	1,354,935
Total	**7,053**	**-**	**1,354,935**	**1,361,987**

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

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	5,054	-	-	5,054
Standard grade	30,124	-	-	30,124
Non Investment	-	-	45,027	45,027
Total	**35,178**	**-**	**45,027**	**80,205**

	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Restated ECL allowance as at 1 January 2018	41,481	25	55,643	97,148
-Charge for the year:				
Total net P&L charge during the year	(6,303)	(25)	29,849	23,520
Amounts written off	-	-	(40,465)	(40,465)
At 31 December 2018	**35,178**	**-**	**45,027**	**80,205**

23 Loans and advances to customers

a Group

In thousands of Naira	December 2019
Loans to individuals	
Retail Exposures	
Auto Loan	14,653,393
Credit Card	19,014,547
Finance Lease (note 23c)	186,896
Mortgage Loan	81,814,281
Overdraft	18,645,708
Personal Loan	52,940,646
Term Loan	15,736,788
Time Loan	6,853,714
	209,845,973
Less allowance for expected credit loss	(5,176,485)
	204,669,488

Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,203,006
Credit Card	325,196
Finance Lease (note 23c)	4,959,983
Mortgage Loan	61,060,992
Overdraft	281,083,142
Personal Loan	-
Term Loan	2,169,523,811
Time Loan	372,968,343
	2,893,124,472
Less allowance for expected credit loss	(186,214,253)
	2,706,910,219

Loans and advances to customers (Individual and corporate entities and other organizations)	3,102,970,446
Less allowance for expected credit loss	(191,390,738)
	2,911,579,708

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	712,723	642,545	-	1,355,268
Non-Investment	-	581,220	3,239,999	3,821,219
Total	**712,723**	**1,223,765**	**3,239,999**	**5,176,487**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2019	542,505	490,339	4,641,687	5,674,531
Acquired from Business Combination	3,778,488	257,325	6,028,142	10,063,955
- Charge for the year:				
Total net P&L charge during the year	(3,608,270)	476,101	(6,397,737)	(9,529,905)
Amounts written off	-	-	(1,032,094)	(1,032,094)
At 31 December 2019	**712,723**	**1,223,765**	**3,239,999**	**5,176,487**

Loans to corporate entities and other organizations

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

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

Group

In thousands of Naira	December 2018
Loans to individuals	
Retail Exposures	
Auto Loan	11,848,394
Credit Card	5,568,720
Finance Lease (note 23c)	95,408
Mortgage Loan	69,839,910
Overdraft	3,736,911
Personal Loan	37,186,909
Term Loan	849,267
Time Loan	2,226,840
	131,352,359
Less Allowance for ECL/Impairment losses	(5,674,532)
	125,677,827
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	4,069,458
Credit Card	434,712
Finance Lease (note 23c)	1,206,037
Mortgage Loan	46,998,760
Overdraft	142,916,676
Term Loan	1,419,262,917
Time Loan	335,530,108
	1,950,418,668
Less Alowance for ECL/Impairment losses	(82,490,262)
	1,867,928,406
Loans and advances to customers (Individual and corporate entities and other organizations)	2,081,771,027
Less Allowance for ECL/Impairment losses	(88,164,794)
	1,993,606,233

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Standard grade	526,454	381,447	571,051	1,478,951
Non-Investment	16,052	108,893	4,070,636	4,195,581
Total	**542,505**	**490,339**	**4,641,687**	**5,674,532**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2018	244,214	209,499	2,095,061	2,548,774
- Charge for the year				-
Total net P&L charge during the year	298,291	280,840	4,118,686	4,697,818
Amounts written off	-	-	(1,572,060)	(1,572,060)
At 31 December 2018	**542,505**	**490,339**	**4,641,687**	**5,674,532**

Loans to corporate entities and other organizations

In thousands of Naira	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,834,633	32,660	-	1,867,294
Standard grade	24,323,693	28,849,910	82,357	53,255,960
Non-Investment	-	11,420,758	15,946,251	27,367,009
Total	**26,158,326**	**40,303,328**	**16,028,608**	**82,490,263**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2018	26,379,157	41,408,970	72,545,073	140,333,202
- Charge for the year				
Total net P&L charge during the year	(220,831)	1,934,549	7,748,608	9,462,325
Amounts written off	-	(3,040,191)	(64,265,073)	(67,305,264)
At 31 December 2018	**26,158,326**	**40,303,328**	**16,028,608**	**82,490,263**

23 Loans and advances to customers

b **Bank**

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

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira

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

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2019	460,839	381,451	4,425,360	5,267,650
Acquired from Business Combination	3,778,488	257,325	6,028,142	10,063,955
- Charge for the year:	-	-	-	
Total net P&L charge during the year	(3,606,512)	478,445	(6,394,499)	(9,522,566)
Amounts written off	-	-	(1,032,094)	(1,032,094)
At 31 December 2019	**632,815**	**1,117,221**	**3,026,908**	**4,776,944**

Loans to corporate entities and other organizations

In thousands of Naira

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

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

23 Loans and advances to customers

b **Bank**

In thousands of Naira	**December 2018**
Loans to individuals	
Retail Exposures	
Auto Loan	2,487,639
Credit Card	4,163,832
Finance Lease (note 23c)	549
Mortgage Loan	4,315,879
Overdraft	3,311,509
Personal Loan	22,201,996
Term Loan	556
Time Loan	848,327
	37,330,287
Less Allowance for ECL/Impairment losses	(5,266,200)
	32,064,087
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	4,069,458
Credit Card	434,509
Finance Lease (note 23c)	925,881
Mortgage Loan	6,298,120
Overdraft	130,480,127
Term Loan	1,250,444,823
Time Loan	329,054,609
	1,721,707,527
Less Allowance for ECL/Impairment losses	(72,009,750)
	1,649,697,777
Loans and advances to customers (Individual and corporate entities and other organizations)	1,759,037,813
Less Allowance for ECL/Impairment losses	(77,275,951)
	1,681,761,862

Impairment allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Standard grade	444,787	381,447	571,051	1,397,285
Non-Investment	16,052	4	3,852,859	3,868,915
Total	**460,839**	**381,451**	**4,423,910**	**5,266,200**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2018	114,354	66,613	1,194,380	1,375,347
- Charge for the year				
Total net P&L charge during the year	346,485	314,839	3,386,295	4,047,619
Amounts written off	-	-	(156,765)	(156,765)
At 31 December 2018	**460,839**	**381,452**	**4,423,910**	**5,266,200**

Loans to corporate entities and other organizations

In thousands of Naira	December 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,306,523	32,660	-	1,339,184
Standard grade	22,211,258	28,849,910	82,357	51,143,525
Non-Investment	-	8,807,436	10,719,606	19,527,042
Total	**23,517,781**	**37,690,006**	**10,801,963**	**72,009,750**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2018	20,147,733	38,217,265	68,882,212	127,247,210
- Charge for the year				
Total net P&L charge during the year	3,370,048	1,256,788	1,698,026	6,324,862
Amounts written off	-	(1,784,046)	(59,778,274)	(61,562,320)
At 31 December 2018	**23,517,781**	**37,690,006**	**10,801,963**	**72,009,750**

23(c) Advances under finance leases

Loans and advances to customers at amortised cost include the following finance lease receivables for leases of certain property, automobile/vehicle and equipment where the group is the lessor:

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Gross investment in finance lease, receivable	**24,543,646**	21,218,184	**13,735,198**	9,729,975
Unearned finance income on finance leases	**(7,515,554)**	(3,309,446)	**(1,853,986)**	(1,557,007)
Net investment in finance leases	**17,028,092**	17,908,738	**11,881,212**	8,172,968
Gross investment in finance leases, receivable:				
Less than one year	**12,696,773**	10,101,778	**7,292,549**	4,357,673
Between one and five years	**11,846,874**	11,116,407	**6,442,649**	5,372,302
Later than five years	**-**	-	**-**	-
	24,543,647	21,218,185	**13,735,198**	9,729,975
Unearned finance income on finance leases	**(7,515,554)**	(3,309,447)	**(1,853,986)**	(1,557,007)
Present value of minimum lease payments	**17,028,092**	17,908,739	**11,881,212**	8,172,968
Present value of minimum lease payments may be analysed as:				
- Less than one year	**7,866,303**	8,210,325	**5,292,863**	3,342,439
- Between one and five years	**9,161,789**	9,698,414	**6,588,349**	4,830,528
- Later than five years	**-**	-	**-**	-

24 Pledged assets

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
-Financial instruments at FVOCI				
Treasury bills	**30,388,532**	170,118,776	**30,388,532**	170,118,776
Government bonds	**-**	10,000,146	**-**	10,000,146
	30,388,532	180,118,922	**30,388,532**	180,118,922
-Financial instruments at amortised cost				
Treasury bills	**452,686,283**	192,208,928	**452,686,282**	192,208,928
Government bonds	**82,599,583**	162,033,050	**82,599,583**	162,033,050
	535,285,868	354,241,978	**535,285,867**	354,241,978
-Financial instruments at FVPL				
Treasury bills	**39,881,494**	18,361,112	**39,881,494**	18,361,112
Government bonds	**-**	1,330,944	**-**	1,330,944
	39,881,494	19,692,056	**39,881,494**	19,692,056
	605,555,893	**554,052,956**	**605,555,892**	**554,052,956**

The related liability for assets pledged as collateral include:

Central Bank of Nigeria (CBN)	**251,051,432**	196,338,701	**251,051,432**	196,338,701
Bank of Industry (BOI)	**22,191,400**	10,429,658	**22,191,400**	10,429,658
	273,242,831	**206,768,359**	**273,242,831**	**206,768,359**

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

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. Pledged assets includes pledges to counterparties for total return swap of N 117.97bn (31 December 2018: N167.37bn). 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	Group December 2019	Group December 2018	Bank December 2019	Bank 'December 2018
In thousands of Naira				
Equity securities at fair value through profit or loss (see note (i) below)	113,158,320	109,419,574	113,126,623	108,870,593

At fair value through other comprehensive income	December 2019	December 2018	December 2019	December 2018
In thousands of Naira				
Debt securities				
Government bonds	64,989,934	37,314,997	4,823,398	7,614,303
Treasury bills	232,813,374	195,218,225	77,897,548	48,881,703
Eurobonds	2,860,694	6,791	-	6,791
Corporate bonds	7,815,595	6,855,934	7,815,595	6,855,934
State government bonds	6,311,454	613,284	6,311,454	613,284
Promissory notes	807,619	-	807,619	-
	315,598,670	240,009,231	97,655,614	63,972,015
Changes in fair value of FVOCI instruments	6,477,226	(5,661,467)	7,374,863	(5,796,640)
Changes in allowance on FVOCI financial instruments	109,420	1,676	62,036	1,676
Net fair value changes in FVOCI instruments	6,586,645	(5,659,791)	7,436,898	(5,794,964)

At amortised cost				
In thousands of Naira				
Debt securities				
Treasury bills	379,283,381	102,564,048	341,786,029	60,166,222
Federal government bonds	255,138,534	39,106,004	240,150,170	16,423,669
State government bonds	9,236,259	6,917,600	9,236,259	6,917,600
FGN Promissory notes	10,844,042	-	10,844,043	-
Corporate bonds	510,162	462,530	510,162	462,528
Eurobonds	1,394,042	2,610,861	932,242	1,785,027
Gross amount	656,406,420	151,661,043	603,458,905	85,755,046
ECL on financial assets at amortized cost	(559,223)	(17,368)	(534,188)	(17,368)
Carrying amount	655,847,197	151,643,675	602,924,717	85,737,678
Total	1,084,604,186	501,072,480	813,706,953	258,580,286

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Opening balance at 1 January 2019	1,676	3,409,804	1,676	3,409,804
Allowance written off	-	(3,409,804)	-	(3,409,804)
Additional allowance	109,420	1,676	62,036	1,676
Balance, end of year	**111,096**	**1,676**	**63,712**	**1,676**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity

ECL allowance on investments at amortized cost

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Opening balance at 1 January 2019/1 Jan 2018	17,368	36,401	17,368	36,401
Acquired from business combination	188,655	-	188,655	-
-Charge for the period	353,200	51,665	328,165	51,665
Write off	-	(70,699)	-	(70,699)
Balance, end of year	559,223	17,368	534,188	17,368

(i) Equity securities at FVPL (carrying amount)

MTN Nigeria	-	10,226,096	-	10,226,096
Central securities clearing system limited	4,312,500	2,727,258	4,312,500	2,727,258
Nigeria interbank settlement system plc.	4,999,760	4,953,845	4,999,760	4,953,845
Unified payment services limited	6,732,958	4,812,950	6,732,958	4,812,950
Africa finance corporation	89,805,806	84,025,549	89,805,806	84,025,549
E-Tranzact	598,936	906,435	598,936	906,435
African export-import bank	34,396	17,044	34,396	17,044
FMDQ OTC Plc	684,900	204,740	684,900	204,740
Nigerian mortage refinance company plc.	305,227	313,229	305,227	313,229
Credit reference company	391,854	380,106	391,854	380,106
NG Clearing Limited	227,491	303,340	227,491	303,340
Capital Alliance Equity Fund	4,982,794	-	4,982,794	-
Shared agent network expansion facility	50,000	-	50,000	-
Others	31,698	548,981	-	-
	113,158,320	109,419,573	113,126,622	108,870,592

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

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

Group **December 2019**

At fair value through other comprehensive income

In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	64,989,934	-
Treasury bills	232,813,374	-
Eurobonds	2,860,694	47,385.08
Corporate bonds	7,815,595	19,265.20
State government bonds	6,311,454	44,447.00
Promissory notes	807,619	-
Total	**315,598,670**	**111,097**

At amortised cost

In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	255,138,534	-	255,138,534
Treasury bills	379,283,381	-	379,283,381
Eurobonds	1,394,042	39,577	1,354,465
Corporate bonds	510,162	464,409	45,753
State government bonds	9,236,259	55,238	9,181,020
FGN Promissory notes	10,844,042	-	10,844,043
Total	**656,406,419**	**559,223**	**655,847,195**

Bank

At fair value through other comprehensive income

In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	4,823,398	-
Treasury bills	77,897,548	-
Corporate bonds	7,815,595	19,265
State government bonds	6,311,454	44,447
Promissory notes	807,619	-
Total	**97,655,614**	**63,712**

At amortised cost

In thousands of Naira	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	240,150,170	-	240,150,170
Treasury bills	341,786,029	-	341,786,029
Eurobonds	932,242	14,541.18	917,701
Corporate bonds	510,162	464,409.24	45,753
State government bonds	9,236,259	55,236.31	9,181,022
Promissory notes	10,844,043	-	10,844,042
Total	**603,458,905**	**534,187**	**602,924,717**

Group

Financial instruments at fair value through other comprehensive income

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	303,117,939	-	-	303,117,939
Standard grade	6,626,362		-	6,626,362
Non-Investment	5,854,368	-	-	5,854,368
Total	**315,598,669**	**-**	**-**	**315,598,669**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2019	1,677	-	-	1,677
- Charge for the year	109,420	-	-	109,420
At 31 December 2019	**111,097**	**-**	**-**	**111,097**

Financial instruments at amortised cost

In thousands of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				-
Investment	645,265,957	-	-	645,265,957
Standard grade	5,324,594	-	-	5,324,594
Non-Investment	4,373,465	-	-	4,373,465
Sub-standard grade	932,242	47,632	462,530	1,442,404
Total	**655,896,258**	**47,632**	**462,530**	**656,406,420**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2019	1,263	16,105	-	17,368
Acquired from business combination	125,770	62,885	-	188,655
- Charge for the year	25,036	-	462,530	487,566
Amounts written off	(57,255)	(77,111)	-	(134,366)
At 31 December 2019	**94,814**	**1,879**	**462,530**	**559,223**

Bank **December 2019**

Financial instruments at fair value through other comprehensive income

In thousands of Naira

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

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2019	1,677	-	-	1,677
- Charge for the year	62,035	-	-	62,035
At 31 December 2019	**63,712**	**-**	**-**	**63,712**

Financial instruments at amortised cost

In thousands of Naira

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

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2019	1,263	16,105	-	17,368
- Charge for the year	-	-	462,530	462,530
Acquired from business combination	125,770	62,885	-	188,655
Amounts written off	(57,255)	(77,111)	-	(134,366)
At 31 December 2019	**69,778**	**1,879**	**462,530**	**534,187**

26 Restricted deposits and other assets

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Financial assets				
Accounts receivable	**86,028,924**	71,001,487	**76,387,882**	54,420,090
Receivable on E-business channels	**61,158,239**	28,319,140	**60,961,016**	28,020,763
Receivable from disposal of non-current asset	**-**	768,354	**-**	768,354
Deposit for investment in AGSMEIS (see note (a)below)	**9,685,037**	5,863,248	**9,685,037**	5,863,248
Subscription for investment (see note (b)below)	**16,873,391**	733,905	**16,873,391**	733,905
Restricted deposits with central banks (see note (c)below)	**848,846,574**	579,238,421	**810,636,067**	522,931,292
	1,022,592,166	685,924,555	**974,543,393**	612,737,652
Non-financial assets				
Prepayments	**37,023,629**	19,253,420	**34,102,137**	14,152,424
Inventory (see note (d)below)	**1,903,980**	1,081,505	**1,509,522**	756,452
	38,927,609	20,334,925	**35,611,659**	14,908,876
Gross other assets	**1,061,519,776**	706,259,481	**1,010,155,051**	627,646,528
Allowance for impairment on financial assets				
Accounts receivable	**(5,984,322)**	(1,907,699)	**(5,819,762)**	(1,808,351)
Subscription for investment	**(25,002)**	(25,002)	**(25,001)**	(25,001)
	1,055,510,452	**704,326,780**	**1,004,310,287**	**625,813,176**
Classified as:				
Current	**1,018,486,823**	685,073,360	**970,208,150**	611,660,753
Non current	**37,023,629**	19,253,420	**34,102,137**	14,152,424
	1,055,510,452	**704,326,780**	**1,004,310,287**	**625,813,176**

Movement in allowance for impairment on other assets:

In thousands of Naira	Group Accounts Receivable	Group subscription for investments	Bank Accounts Receivable	Bank subscription for investments
Balance as at 1 January 2018	2,645,320	25,001	2,071,109	25,001
ECL allowance for the year:				
- Additional provision	1,101,453	-	934,535	-
- Provision no longer required	(1,029,085)	-	(1,029,085)	-
Net impairment	72,368	-	(94,550)	-
Allowance written off	(809,989)	-	(168,207)	-
Balance as at 31 December 2018/1 January 2019	1,907,699	25,001	1,808,352	25,001
ECL allowance for the year:				
Acquired from business combination	7,311,549	-	7,231,695	-
- Writeback	(3,200,712)	-	(3,220,284)	-
-Transalation difference	(34,214)	-	-	-
Net ECL allowance	4,076,623	-	4,011,411	-
Balance as at 31 December 2019	**5,984,322**	**25,001**	**5,819,763**	**25,001**

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

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

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

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

27(a) Subsidiaries (with continuing operations)

(i) Group entities

Set out below are the group's subsidiaries as at 31 December 2019. 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

	Nature of business	Country of incorporation	Ownership interest December 2019	December 2018
Access Bank Gambia Limited	Banking	Gambia	88%	88%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	97%	97%
Access Bank Rwanda Limited	Banking	Rwanda	75%	75%
Access Bank Zambia	Banking	Zambia	70%	70%
The Access Bank UK	Banking	United Kingdom	100%	100%
Access Bank R.D. Congo	Banking	Congo	100%	100%
Access Bank Ghana	Banking	Ghana	93%	93%
Access Pension Fund Custodian	Custody	Nigeria	100%	0%
Diamond Finance BV	Banking	Netherlands	0%	0%
Access Bank Guinea S.A	Banking	Guinea	100%	0%

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

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

The Group has divested from its investment in Diamond Bank UK. See note 47 for details.

(ii) Structured entities:

	Nature of business	Country of incorporation	Ownership interest December 2019	December 2018
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

27(b)(i) Investment in subsidiaries

In thousands of Naira	Bank December 2019	Bank December 2018
Subsidiaries with continuing operations		
Access Bank, UK	60,044,822	47,903,661
Access Bank, Ghana	32,195,607	32,195,607
Access Bank Rwanda	1,578,825	1,578,825
Access Bank, Congo	13,205,190	13,205,190
Access Bank, Zambia	4,274,925	4,274,925
Access Bank, Gambia	7,061,501	7,061,501
Access Bank, Sierra Leone	1,582,486	1,582,486
Access Bank, Guinea	5,441,100	-
Investment in RSPP scheme	4,074,254	3,401,301
Access Bank Pension Fund Custodian	2,000,000	-
Balance, end of year	**131,458,709**	**111,203,496**

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 N131.46Bn

27(b)(ii) Investment in associate

In thousands of Naira

During the course of the year, the Bank acquired an investment in associates arising from the merger with ersthwhile Diamond Bank Plc. See below:

Geometric energy	7,535,232

This was written off during the course of the year.

Specific allowances for impairment on investment in associates

In thousands of Naira	Bank December 2019	Bank December 2018	Bank December 2019	Bank December 2018
Balance, beginning of year	**-**	-	**-**	-
Acquired from business combination	**7,535,232**	-	**7,535,232**	-
Write off	**(7,535,232)**	-	**(7,535,232)**	-
Balance, end of year	**-**	-	**-**	-

27 (c) Condensed results of consolidated entities

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

Condensed profit and loss In thousands of naira	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Dimaond Bank B.V.	Access Bank Guinea	Access Bank PFC
Operating income	30,700,960	27,282,293	3,309,812	5,366,496	3,226,305	989,164	1,036,398	-	32,686	-	755,042
Operating expenses	(9,807,591)	(14,166,009)	(2,902,144)	(4,752,778)	(2,191,053)	(789,625)	(761,181)	-	(28,590)	-	(372,996)
Net impairment loss on financial assets	(348,543)	1,655,758	(54,167)	(92,104)	(283,921)	(7,979)	(5,664)	-	-	-	-
Profit before tax	20,544,826	14,772,042	353,501	521,614	751,331	191,560	269,553	-	4,096	-	382,046
Income tax expense	(4,606,537)	(3,113,081)	(101,387)	(438,714)	(241,987)	(46,971)	(69,386)	-	-	-	-
Profit for the year	15,938,289	11,658,961	252,114	82,900	509,344	144,589	200,168	-	4,096	-	382,046
Assets											
Cash and cash equivalents	187,344,128	68,941,205	12,676,174	38,494,916	9,478,061	4,972,172	1,157,626	-	8,692	5,441,100	4,273,554
Non pledged trading assets	-	52,847,477	-	-	-	-	-	-	-	-	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	(17,907)	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	237,020,069	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	320,199,158	75,020,624	10,065,537	17,963,784	4,566,126	1,237,361	842,481	-	18,629,195	-	44,578
Investment securities	149,464,151	77,975,923	12,393,343	-	18,545,310	8,257,406	4,261,099	-	-	-	-
Investment properties	-	-	-	-	-	-	-		-	-	200,000
Other assets	3,130,785	6,229,773	301,298	1,413,911	2,559,750	829,531	736,115	-	688	-	21,275
Investment in associates	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	721,660	-	-	-	-	-	-	4,795,913	-	-	-
Property and equipment	1,352,209	14,327,417	1,911,436	3,117,354	659,043	746,674	402,984	-	-	-	62,666
Intangible assets	548,145	127,784	683,890	58,027	72,624	99,076	18,274	-	(3,223)	-	94,453
Deferred tax assets	-	2,351,401	-	991,418	431,757	2,708	45,890	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
	899,762,399	297,821,606	38,031,678	62,039,410	36,312,673	16,144,928	7,464,469	4,795,913	18,635,352	5,441,100	4,696,527

Financed by:											
Deposits from banks	488,810,476	13,684,596	-	-	4,896	-	599,309	-	-	-	-
Deposits from customers	281,021,142	189,142,072	31,322,448	41,347,878	28,265,734	11,389,389	5,008,829	-	-	-	-
Derivative Liability	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	2,772	11,877	-	172,366	3,962	-	-	-	-	-	-
Current tax liabilities	2,369,088	(561,481)	1,614	159,499	136,719	-	-	-	1,597	-	14,938
Other liabilities	9,757,522	6,890,321	2,713,263	2,688,965	524,984	1,207,319	281,639	-	11,591	-	225,345
Interest-bearing loans and borrowings	-	36,925,884	-	5,247,682	365,038	-	-	-	18,612,805	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	64,376	1,090,487	152,671	462,398	-	-	-	-	-	-	11,498
Equity	117,737,019	50,637,850	3,841,683	11,960,623	7,011,339	3,548,220	1,574,693	4,795,913	9,358	5,441,100	4,444,746
	899,762,395	297,821,606	38,031,678	62,039,411	36,312,672	16,144,928	7,464,470	4,795,913	18,635,351	5,441,100	4,696,527
Net cashflows from investing activities	(10,368,430)	(73,469,476)	(8,553,221)	(2,427,648)	(2,120,854)	(2,052,913)	(1,348,947)	-	-	-	180,403
Net cashflows from financing activities	13,719,022	11,202,804	(1,586,643)	7,400,164	(32,435)	-	-	-	-	-	-
Increase in cash and cash equivalents	(159,163,270)	(29,070,088)	(5,521,165)	16,362,390	9,478,151	1,165,550	158,098	-	-	-	55,250
Cash and cash equivalent, beginning of year	371,734,932	95,315,484	16,831,393	21,834,296	9,592,287	3,771,388	376,383	-	-	-	3,788,264
Effect of exchange rate fluctuations on cash held	522,957	3,947,968	-	-	-	-	-	-	-	-	-
Cash and cash equivalent, end of year	213,094,445	70,193,363	11,310,229	38,196,686	(114,136)	4,936,938	534,482	-	-	-	3,843,514

27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at December 2018 are as follows:

Condensed profit and loss In thousands of naira	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.
Operating income	25,427,859	27,847,984	5,742,342	5,182,290	3,732,627	1,222,191	860,479	-	-
Operating expenses	(10,156,530)	(15,220,304)	(4,539,459)	(4,152,288)	(2,398,544)	(848,867)	(805,642)	-	-
Net impairment loss on financial assets	(129,445)	(3,286,805)	(184,488)	(36,637)	(307,339)	(12,551)	2,680	-	-
Profit before tax	15,141,884	9,340,875	1,018,395	993,365	1,026,744	360,773	57,517	-	-
Income tax expense	(2,977,393)	(2,804,202)	(447,688)	(260,576)	-	(47,835)	(17,072)	-	-
Profit for the year	12,164,491	6,536,673	570,707	732,789	1,026,744	312,938	40,445	-	-
Assets									
Cash and cash equivalents	329,099,749	113,402,968	19,715,147	23,215,649	11,699,664	2,976,573	1,303,156	-	-
Non pledged trading assets	-	2,234,476	-	-	1,614	-	-	-	-
Pledged assets	-	-	-	-	-	-	-	-	-
Derivative financial instruments	510,980	-	223,102	-	-	-	-	-	-
Loans and advances to banks	189,060,990	-	-	-	-	-	-	-	-
Loans and advances to customers	214,251,856	64,586,197	12,920,101	15,352,043	3,241,978	587,348	904,848	-	-
Investment securities	142,554,923	62,535,013	4,058,888	-	23,165,024	6,820,584	3,357,762	-	-
Other assets	2,870,099	14,917,107	573,287	1,374,265	1,979,501	1,851,671	742,792	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	3,401,302	-
Property and equipment	639,802	9,425,036	1,477,611	2,032,408	669,452	748,916	282,952	-	-
Intangible assets	209,980	304,616	-	95,293	107,560	104,944	17,901	-	-
Deferred tax assets	-	188,071	-	-	681,721	-	52,869	-	-
	879,198,379	267,593,484	38,968,136	42,069,658	41,546,514	13,090,036	6,662,280	3,401,302	-

Financed by:									
Deposits from banks	558,373,348	8,315,075	-	-	1,273,701	-	-	-	-
Deposits from customers	221,767,500	180,579,728	31,773,786	27,389,833	30,996,845	8,909,316	4,752,447	-	-
Derivative Liability	447,659	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	384	12,463	-	-	3,629	-	-	-	-
Current tax liabilities	1,463,959	505,709	54,958	456,876	-	-	-	-	-
Other liabilities	6,432,929	5,432,174	1,093,640	12,340,057	381,485	505,273	309,500	-	-
Interest-bearing loans and borrowings	-	22,578,807	1,791,918	-	363,568	-	-	-	-
Deferred tax liabilities	49,908	331,668	198,197	-	-	7,660	-	-	-
Equity	90,662,691	49,837,860	4,055,638	1,882,892	8,527,286	3,667,788	1,600,333	3,401,302	-
	879,198,378	267,593,484	38,968,137	42,069,658	41,546,514	13,090,037	6,662,280	3,401,302	-
Net cashflows from investing activities	(81,938,861)	214,395	309,552	(164,592)	(2,422,966)	(576,654)	(406,628)	-	-
Net cashflows from financing activities	7,366,176	(7,861,804)	(586,884)	-	(26,651)	-	-	-	-
Increase in cash and cash equivalents	30,552,410	37,129,923	4,877,380	2,518,266	606,164	308,572	689,823	-	-
Cash and cash equivalent, beginning of year	298,552,691	80,410,323	13,293,774	20,589,848	11,093,500	2,673,856	558,765	-	-
Effect of exchange rate fluctuations on cash held	-	312,449	-	-	-	-	-	-	-
Cash and cash equivalent, end of year	329,105,101	117,852,695	18,171,154	23,108,114	11,699,664	2,982,428	1,248,588	-	-

28 (a) Property and equipment

Group

In thousands of Naira	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost							
Balance at 1 January 2019	68,441,819	11,112,045	24,759,848	54,155,039	18,327,865	7,562,637	184,359,253
Acquired from business combination	45,822,253	20,507,420	1,711,188	6,638,063	1,351,558	219,213	76,249,695
Acquisitions	4,575,475	133,912	5,690,378	8,803,828	4,630,846	13,671,137	37,505,576
Disposals	(100,089)	-	(774,895)	(469,225)	(1,124,802)	-	(2,469,010)
Write-offs	(36,266)	-	-	(4,064)	-	(94,008)	(134,339)
Transfers	4,220,645	1,502	-	705,939	249,682	(5,177,767)	-
Translation difference	(2,425,516)	-	1,737,822	(1,041,046)	(218,796)	256,084	(1,691,453)
Balance at 31 December 2019	**120,498,322**	**31,754,879**	**33,124,341**	**68,788,535**	**23,216,355**	**16,437,297**	**293,819,723**
Balance at 1 January 2018	60,283,321	9,742,073	24,921,719	46,819,583	15,213,972	8,633,948	165,614,616
Acquisitions	4,353,010	1,370,934	1,591,983	5,659,099	3,675,459	2,361,032	19,011,517
Disposals	(467,930)	(962)	(111,561)	(263,029)	(829,741)	-	(1,673,224)
Transfers	1,746,582	-	11,170	275,170	-	(2,032,922)	-
Write-offs	-	-	(182,198)	(86,440)	-	(4,339)	(272,978)
Translation difference	2,526,836	-	(1,471,264)	1,750,655	268,175	(1,395,082)	1,679,320
Balance at 31 December 2018	68,441,819	11,112,045	24,759,848	54,155,039	18,327,865	7,562,637	184,359,252

	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Depreciation and impairment losses							
Balance at 1 January 2019	14,840,634	-	21,299,150	34,740,360	9,810,386	-	80,690,530
Charge for the year	2,489,676	-	3,285,052	9,295,128	2,980,705	-	18,050,561
Disposal	(8,613)	-	(700,626)	(414,920)	(882,333)	-	(2,006,492)
Write-Offs	(33,234)	-	-	(1,898)	-	-	(35,132)
Translation difference	(198,754)	-	387,941	(65,789)	(31,453)	-	91,945
Balance at 31 December 2019	**17,089,709**	**-**	**24,271,518**	**43,552,881**	**11,877,305**	**-**	**96,791,412**
Balance at 1 January 2018	12,870,312	-	18,285,808	28,723,668	8,620,188	-	68,499,976
Charge for the year	1,976,568	-	3,119,887	6,301,844	2,137,047	-	13,535,345
Disposal	(56,783)	-	(77,118)	(320,165)	(952,213)	-	(1,406,278)
Translation difference	50,537	-	(29,425)	35,013	5,363	-	61,489
Balance at 31 December 2018	14,840,634	-	21,299,150	34,740,360	9,810,386	-	80,690,532
Carrying amounts	**103,408,613**	**31,754,879**	**8,852,823**	**25,235,654**	**11,339,050**	**16,437,297**	**197,028,310**
Right of use assets (see 28(b) below)	**14,185,932**	**-**	**-**	**-**	**-**	**-**	**14,185,932**
Balance at 31 December 2019	**117,594,544**	**31,754,879**	**8,852,823**	**25,235,654**	**11,339,050**	**16,437,297**	**211,214,241**

Balance at 31 December 2018	53,601,184	11,112,045	3,460,696	19,414,679	8,517,479	7,562,637	103,668,719

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

Total Depreciation charge (a+b)	**5,672,029**	**-**	**3,285,052**	**9,295,128**	**2,980,705**	**-**	**21,232,914**

The total balance for non current property, plant and equipment for the year is N197.03Bn

Classified as:

Current	-	-	-	-	-	-	-
Non current	**103,408,613**	**31,754,879**	**8,852,823**	**25,235,654**	**11,339,050**	**16,437,297**	**197,028,313**
	103,408,613	**31,754,879**	**8,852,823**	**25,235,654**	**11,339,050**	**16,437,297**	**197,028,316**

28 (b) Leases

Group

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

(i) Right-of-use assets	**Land**	**Building**	**Total**
	N'000	**N'000**	**N'000**
Opening balance as at 1 January 2019	72,982	13,327,950	13,400,931
Acquired from business combination	-	1,813,081	1,813,081
Additions during the year	-	2,290,583	2,290,583
Disposals during the year	(72,982)	(63,329)	(136,312)
Closing balance as at 31 December 2019	**-**	**17,368,285**	**17,368,284**
Depreciation			
Opening balance as at 1 January 2019	-	-	-
Charge for the year	-	3,182,353	3,182,353
Closing balance as at 31 December 2019	**-**	**3,182,353**	**3,182,353**
Net book value as at 31 December 2019	**-**	**14,185,932**	**14,185,930**

ii Amounts recognised in the statement of profit or loss

	N'000
Depreciation charge of right-of-use assets	3,182,353
Interest expense (included in finance cost)	742,971
Expense relating to short-term leases (included in administrative expenses)	569,180
Expense relating to leases of low-value assets (included in administrative expenses)	-

The total cash outflow for leases as at December 2019 was N1.558 billion.

28 (c) Property and equipment

Bank

In thousands of Naira	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Cost							
Balance at 1 January 2019	55,008,145	11,112,047	22,322,764	47,436,345	15,853,637	6,119,044	157,851,983
Acquired from business combination	45,822,154	20,507,420	1,679,978	6,628,694	1,322,361	219,213	76,179,821
Acquisitions	3,529,489	133,912	4,572,215	8,480,739	4,361,880	11,181,145	32,259,378
Disposals	(98,889)	-	(692,174)	(437,712)	(1,041,595)	-	(2,270,370)
Transfers	2,798,592	1,502	-	610,828	235,222	(3,646,145)	-
Write-Offs	-	-	-	-	-	(94,008)	(94,008)
Balance at 31 December 2019	**107,059,493**	**31,754,881**	**27,882,783**	**62,718,894**	**20,731,505**	**13,779,249**	**263,926,802**
Balance at 1 January 2018	51,303,794	9,742,075	21,053,274	42,145,881	13,106,383	5,276,504	142,627,910
Acquisitions	3,354,056	1,370,934	1,328,716	5,491,964	3,453,042	1,659,803	16,658,515
Disposals	(467,930)	-	(59,226)	(201,500)	(705,788)	-	(1,434,444)
Transfers	818,225	(962)	-	-	-	(817,263)	-
Balance at 31 December 2018	55,008,145	11,112,047	22,322,764	47,436,345	15,853,637	6,119,044	157,851,981

Depreciation and impairment losses	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Balance at 1 January 2019	12,223,170	-	17,890,242	30,766,704	8,579,321	-	69,459,438
Charge for the year (a)	1,761,219	-	2,637,675	8,642,337	2,636,135	-	15,677,366
Disposal	(8,613)	-	(689,192)	(409,833)	(707,551)	-	(1,815,189)
Balance at 31 December 2019	**13,975,776**	**-**	**19,838,724**	**38,999,208**	**10,507,905**	**-**	**83,321,614**
Balance at 1 January 2018	10,679,838	-	15,445,371	25,370,434	7,455,546	-	58,951,189
Charge for the year	1,577,415	-	2,503,447	5,586,305	1,716,719	-	11,383,886
Disposal	(34,083)	-	(58,576)	(190,035)	(592,944)	-	(875,638)
Balance at 31 December 2018	12,223,170	-	17,890,242	30,766,704	8,579,321	-	69,459,437
Carrying amounts	**93,083,717**	**31,754,881**	**8,044,058**	**23,719,687**	**10,223,601**	**13,779,249**	**180,605,190**
Right of use assets (see 28(d) below)	8,029,267	-	-	-	-	-	8,029,267
Balance at 31 December 2019	**93,083,717**	**31,754,881**	**8,044,058**	**23,719,687**	**10,223,601**	**13,779,249**	**188,634,458**
Balance at 31 December 2018	42,784,975	11,112,047	4,432,522	16,669,642	7,274,316	6,119,044	88,392,546

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

Total Depreciation charge (a+b)	**3,197,472**	**-**	**2,637,675**	**8,642,337**	**2,636,135**	**-**	**17,113,619**

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

The total balance for non current property, plant and equipment for the year is N185.34Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**93,083,717**	**31,754,881**	**8,044,058**	**23,719,687**	**10,223,601**	**13,779,249**	**180,605,190**
	93,083,717	**31,754,881**	**8,044,058**	**23,719,687**	**10,223,601**	**13,779,249**	**180,605,190**

28 (d) Leases

Bank

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

i Right-of-use assets	Land	Building	Total
	N'000	N'000	N'000
Opening balance as at 1 January 2019	72,982	5,636,286	5,709,269
Acquired from business combination	-	2,079,481	2,079,481
Additions during the year	-	1,813,081	1,813,081
Disposals during the year	(72,982)	(63,329)	(136,312)
Closing balance as at 31 December 2019	**-**	**9,465,520**	**9,465,520**
Depreciation			
Opening balance as at 1 January 2019	-	-	-
Charge for the year (b)	-	1,436,253	1,436,253
Closing balance as at 31 December 2019	**-**	**1,436,253**	**1,436,253**
Net book value as at 31 December 2019	**-**	**8,029,267**	**8,029,267**

ii) Amounts recognised in the statement of profit or loss

	N'000
Depreciation charge of right-of-use assets (buildings)	1,436,253
Interest expense (included in finance cost)	742,971
Expense relating to short-term leases (included in administrative expenses)	569,180
Expense relating to leases of low-value assets (included in administrative expenses)	-

The total cash outflow for leases as at December 2019 was N1.186 billion.

29 Intangible assets

Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Total Intangible
Cost				
December 2019				
Balance at 1 January 2019	681,007	2,078,351	21,140,699	23,900,057
Arising from business combination (See note 44)	50,595,672	369,655	2,005,470	52,970,797
Acquisitions	-	883,820	6,909,093	7,792,913
Reclassification	-	(2,118,854)	2,118,854	-
Write off	-	(17,512)	(798,398)	(815,910)
Translation difference	-	22,886	(228,215)	(205,329)
Balance at 31 December 2019	**51,276,679**	**1,218,345**	**31,147,503**	**83,642,528**
December 2018				
Balance at 1 January 2018	681,007	1,112,943	17,955,681	19,749,631
Acquisitions	-	1,156,536	3,940,878	5,097,414
Transfer	-	(191,128)	-	(191,128)
Write off	-	-	(770,716)	(770,716)
Translation difference	-	-	14,857	14,856
Balance at 31 December 2018	681,007	2,078,351	21,140,699	23,900,057
Amortization and impairment losses				
Balance at 1 January 2019	-	-	14,147,560	14,147,560
Amortization for the year	-	-	3,849,980	3,849,980
Impairment charge			624,642	624,642
Write off	-	-	(747,711)	(747,711)
Translation difference	-	-	(164,696)	(164,696)
Balance at 31 December 2019	**-**	**-**	**17,709,774**	**17,709,774**
Balance at 1 January 2018	-	-	11,453,776	11,453,776
Amortization for the year	-	-	2,799,133	2,799,133
Write off	-	-	(105,349)	(105,349)
Balance at 31 December 2018	-	-	14,147,560	14,147,560
Net Book Value				
Balance at 31 December 2019	**51,276,679**	**1,218,346**	**13,437,729**	**65,932,754**
Balance at 31 December 2018	681,007	2,078,351	6,993,140	9,752,497

Intangible assets

Bank

In thousands of Naira	Goodwill	WIP	Purchased Software	Total
Cost				
December 2019				
Balance at 1 January 2019	-	2,269,477	17,391,856	19,661,334
Arising from business combination (See note 44)	57,189,153	369,655	1,940,710	59,499,518
Acquisitions	-	669,088	6,601,488	7,270,576
Reclassification	-	(2,106,680)	2,106,680	-
Write off	-	-	(716,401)	(716,401)
Balance at 31 December 2019	**57,189,153**	**1,201,540**	**27,324,333**	**85,715,026**
December 2018				
Balance at 1 January 2018	-	1,112,941	13,973,787	15,086,728
Acquisitions	-	1,156,536	3,418,069	4,574,606
Balance at 31 December 2018	-	2,269,477	17,391,856	19,661,333
Amortization and impairment losses				
Balance at 1 January 2019	-	-	11,430,134	11,430,134
Amortization for the year	-	-	3,363,413	3,363,413
Write off	-	-	(706,893)	(706,893)
Impairment charge	-	-	624,642	624,642
Balance at 31 December 2019	-	-	**14,711,295**	**14,711,295**
Balance at 1 January 2018	-	-	9,104,822	9,104,822
Amortization for the year	-	-	2,327,510	2,327,510
Write off	-	-	(2,199)	(2,199)
Balance at 31 December 2018	-	-	11,430,134	11,430,134
Carrying amounts				
Balance at 31 December 2019	**57,189,153**	**1,201,540**	**12,613,037**	**71,003,729**
Balance at 31 December 2018	-	2,269,477	5,961,722	8,231,197

There were no capitalised borrowing costs related to the internal development of software during the year under review, 31 December 2019 (2018: nil). Computer software has a definite useful life of not more than five years in line with the Bank's accounting policy, while Goodwill has an indefinite useful life and is annually assessed for impairment.

Amortization method used is straight line.

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Classified as:				
Current	**-**	-	**-**	-
Non current	**65,932,754**	9,752,497	**71,003,729**	8,231,197

29(b) Intangible assets

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

	Group	Group	Bank	Bank
	December 2019	December 2018	December 2019	December 2018
In thousands of Naira				
Diamond Bank Plc (see (a) below)	51,276,679	-	57,189,573	-
Access Bank Rwanda (see (b) below)	681,007	681,007	-	-
	51,957,686	**681,007**	**57,189,5473**	**-**

(a) Diamond bank:

Goodwill represents the value derived from a larger branch network and combined synergies of operations. The Goodwill recognized from former Diamond as at 19th March is provisional as the Bank has up till the end of the year from the acquisition date to complete all assessments. Goodwill is not deductible for tax purposes

The purchase price allocation is yet to be completed as at the time of this report. This is as a result of the complexities surrounding the allocation and the expertise as well as time required for the allocation. Goodwill has not been allocated to cash generating units

(b) Access Bank Rwanda:

The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

	December 2019
Compound annual volume growth (i)	7.10%
Long term growth rate (ii)	7.50%
Discount rate (ii)	23.3%

(i) Compound annual volume growth rate in the initial four-year year.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast

Cash flows were projected based on past experience, actual operating results and the 4-year business plan. These cashflows are based on the expected revenue growth for the entity over this 4-year year.

Discount Rate

Pre-tax discount rate of 17.90% was applied in determining the recoverable amounts for the only entity with goodwill (Access Bank Rwanda). This discount rate was estimated using the risk-free rate and the country risk premium for Rwanda.

Long-term term growth rate

The long term 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	2,243,960	2,488,694
Impact of change in growth rate on value-in-use computation	837,343	818,279

30 Deferred tax assets and liabilities

(a) Group

The following items gave rise to temporary differences during the year. Deferred tax assets and liabilities are attributable to the following items below:

In thousands of Naira	December 2019			December 2018		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	**12,636,537**	**(174,086)**	**12,462,451**	6,341,076	(547,461)	5,793,615
Allowances/(Reversal) for loan losses	**15,354,817**	**-**	**15,354,817**	16,736,219	(1,363,442)	15,372,777
Tax loss carry forward	**13,902,540**	**-**	**13,902,540**	12,692,887	-	12,692,887
Exchange gain/(loss) unrealised	**-**	**(44,198,469)**	**(44,198,470)**	22,054	(39,278,332)	(39,256,278)
Acquired Deferred tax asset	**-**	**-**	**-**	-	-	-
Actuarial loss on retirement benefit obligation	**8,605**	**(4,155)**	**4,451**	-	(145,140)	(145,140)
Fair value gain on equity investments	**8,845**	**-**	**8,845**	7,959	-	7,959
Deferred tax assets (net)	**41,911,345**	**(44,376,710)**	**(2,465,365)**	35,800,195	(41,334,375)	(5,534,180)

Bank

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	December 2019			December 2018		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	**12,038,203**	**-**	**12,038,203**	6,289,256	-	6,289,256
Allowances/(Reversal) for loan losses	**13,281,036**	**-**	**13,281,036**	16,285,485	-	16,285,485
Tax loss carry forward	**13,902,540**	**-**	**13,902,540**	12,262,626.52	-	12,262,627
Exchange gain unrealised	**-**	**(43,728,890)**	**(43,728,890)**	-	(39,198,194)	(39,198,194)
Acquired Deferred tax asset	**-**	**-**	**-**		-	-
Fair value gain on equity investments	**-**	**-**	**-**	-	-	-
Actuarial loss on retirement benefit obligation	**-**	**-**	**-**	-	(145,140)	(145,140)
Deferred tax assets/(liabilities)	**39,221,780**	**(43,728,890)**	**(4,507,110)**	34,837,368	(39,343,334)	(4,505,966)

Deferred tax asset are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. After reviews of the medium-term profit forecasts, the Group considers that there will be sufficient profits in the future against which these losses will be offset.

There were no unrecognized deferred tax assets or liabilities as at 31 December 2019 (31 December 2018: nil)

Deferred tax on right of use assets and lease liabilities

The Group elected to apply the approach which considers the asset and the liability separately, in which case there was a temporary difference on initial recognition. The impact of initial recognition of rights-of-use assets and lease liabilities on deferred tax liabilities as at 31 December 2019 was N835 million

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Deferred income tax assets				
– Deferred income tax asset to be recovered after more than 12 months	**27,821,719**	21,162,905	**25,319,240**	22,574,742
– Deferred income tax asset to be recovered within 12 months	**14,089,626**	14,637,290	**13,902,540**	12,262,629
	41,911,345	**35,800,195**	**39,221,780**	**34,837,371**
Deferred income tax liabilities				
– Deferred income tax liability to be recovered after more than 12 months	**(174,086)**	(1,910,903)	**-**	-
– Deferred income tax liability to be recovered within 12 months	**(44,202,624)**	(39,423,472)	**(43,728,890)**	(39,343,334)
	(44,376,710)	**(41,334,375)**	**(43,728,890)**	**(39,343,334)**

30 Deferred tax assets and liabilities

(c) Movement on the net deferred tax assets / (liabilities) account during the year:

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Balance, beginning of year	**(5,534,180)**	(8,023,860)	**(4,505,966)**	(7,848,516)
Acquired from Business Combination	**4,971,317**	-	**4,984,388**	-
Tax charge	**(3,930,538)**	3,546,565	**(5,277,786)**	3,487,691
Translation adjustments	**1,735,781**	(911,744)	**-**	-
Items included in OCI	**292,254**	(145,140)	**292,254**	(145,140)
Net deferred tax assets/(liabilities)	**(2,465,365)**	(5,534,180)	**(4,507,110)**	(4,505,965)
Out of which				
Deferred tax assets	**41,842,656**	35,800,195	**39,221,780**	34,837,368
Deferred tax liabilities	**(44,376,710)**	(41,334,375)	**(43,728,892)**	(39,343,334)

Temporary difference relating to the Group's Investment in subsidiaries as at 31 December 2019 is N22.99billion (Dec 2018: N39.40billion). As the Group exercises control over the subsidiaries, it has the power to control the timing of the reversals of the temporary difference arising from its investments in them. The Group has determined that the subsidiaries' profits and reserves will not be distributed in the foreseeable future and that the subsidiaries will not be disposed of. Hence, the deferred tax arising from the temporary differences above will not be recognised.

Items included in Other Comprehensive Income

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Actuarial gain/loss on retirement benefit obligation				
Gross loss on retirement benefit obligation	**913,293**	(483,801)	**913,293**	(483,801)
Deferred tax @ 30%	**(292,254)**	145,140	**(292,254)**	145,140
Net balance loss after tax	**621,039**	(338,662)	**621,039**	(338,661)

Deferred Tax asset

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Classified as:				
Current	**14,089,626**	14,637,290	**13,902,540**	12,262,629
Non current	**27,821,719**	21,162,905	**25,319,240**	22,574,742

Deferred Tax liability

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Classified as:				
Current	**(44,202,624)**	(39,423,472)	**(43,728,890)**	(39,343,334)
Non current	**(174,086)**	(1,910,903)	**-**	-

31a Investment properties

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Balance at 1 January	**-**	-	**-**	-
Acquired from business combination	**4,053,511**	-	**3,878,511**	-
Additions for the year	**2,435**	-	**2,435**	-
Disposals during the year	**(3,153,946)**	-	**(3,153,946)**	-
Valuation gain/(loss)	**25,000**	-	**-**	-
Balance, end of year	**927,000**	-	**727,000**	-

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

Valuation technique used for fair valuation of investment properties

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

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

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

31b Assets classified as held for sale

The Bank obtains properties by taking possession of collaterals held as security against loans. The value of the collaterals repossessed during the year was N8.82bn (2018: N3.8bn). The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations. This amount has been included in Note 7 as unallocated segment in accordance with IFRS 8.

Assets held for sale

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Balance at 1 January	**12,241,823**	9,479,967	**12,241,823**	9,479,967
Acquired from business combination	**7,976,260**	-	**-**	-
Additions	**14,660,695**	3,826,834	**14,660,695**	3,826,834
Disposals	**(9,921,260)**	(1,064,979)	**(1,945,000)**	(1,064,979)
	24,957,518	**12,241,822**	**24,957,518**	**12,241,822**

The total balance for non current financial assets held for sale for the year is N24.96Bn

Classified as:

Current	-	-	-	-
Non current	24,957,518	12,241,822	24,957,518	12,241,822

32 Deposits from financial institutions

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
In thousands of Naira				
Money market deposits	**974,352,272**	519,042,681	**863,988,212**	482,229,916
Trade related obligations to foreign banks	**212,004,040**	475,530,164	**215,296,202**	134,414,695
	1,186,356,312	**994,572,845**	**1,079,284,414**	**616,644,611**

33 Deposits from customers

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
In thousands of Naira				
Term deposits	**1,784,924,350**	1,287,048,284	**1,463,431,594**	990,096,832
Demand deposits	**1,681,564,464**	1,010,791,291	**1,453,307,535**	834,563,080
Saving deposits	**789,348,489**	267,068,809	**751,600,682**	234,079,018
	4,255,837,303	**2,564,908,384**	**3,668,339,811**	**2,058,738,930**

34 Other liabilities

In thousands of Naira		Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Financial liabilities					
Certified and bank cheques		**4,526,529**	2,192,963	**3,084,912**	1,648,744
E-banking payables	(see (a) below)	**64,552,944**	28,859,357	**64,219,999**	28,679,005
Collections account balances	(see (b) below)	**71,047,431**	59,183,957	**69,631,696**	58,117,410
Due to subsidiaries		**-**	-	**588,431**	771,314
Accruals		**2,185,506**	1,324,568	**898,422**	-
Creditors		**6,493,771**	22,676,791	**2,564,043**	8,176,483
Payable on AMCON		**1,701,606**	1,128,825	**1,701,606**	1,128,825
Customer deposits for foreign exchange		**39,937,507**	25,508,441	**39,937,459**	25,511,918
Unclaimed dividend	(see (d) below)	**15,881,375**	14,595,639	**15,881,375**	14,595,639
Lease liabilities		**10,325,181**	-	**5,244,844**	-
Other financial liabilities		**94,447,726**	11,562,865	**87,078,269**	4,994,238
ECL on off-balance sheet	(see (e) below)	**4,526,457**	1,482,931	**4,353,070**	1,482,932
		315,626,032	168,516,337	**295,184,124**	145,106,507
Non-financial liabilities					
Litigation claims provision		**1,401,620**	945,372	**1,401,620**	945,372
Other non-financial liabilities		**7,306,220**	76,977,241	**5,676,205**	75,994,264
Total other liabilities		**324,333,874**	**246,438,952**	**302,261,951**	**222,046,143**
Classified as:					
Current		**316,513,031**	169,461,709	**297,791,105**	146,051,879
Non current		**7,820,843**	76,977,242	**4,470,847**	75,994,264
		324,333,874	**246,438,951**	**302,261,952**	**222,046,143**

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

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

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

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

(e) Movement in ECL on contingents	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Opening balance at 1 January 2019/31 December 2018	**1,482,932**	1,450,688	**1,482,931**	1,037,299
Acquired from business combination	**1,679,388**	-	**1,679,388**	
Charge for the year	**1,266,048**	445,632	**1,190,751**	445,632
Revaluation difference	**98,089**	(413,389)	**-**	-
Balance, end of year	**4,526,458**	1,482,931	**4,353,070**	1,482,931

(f) Movement in litigation claims provision	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Opening balance	**945,372**	766,809	**945,372**	766,809
Additions	**456,248**	178,563	**456,248**	178,563
Closing balance	**1,401,620**	945,372	**1,401,620**	945,372

ii Lease liabilities

	Group N'000	Bank N'000
Opening balance as at 1 January 2019	7,246,007	2,312,629
Additions	2,635,212	2,495,673
Acquired from business combination	878,244	878,244
Interest expense	1,122,276	742,971
Payments made during the year	(1,556,558)	(1,184,674)
Closing balance as at 31 December 2019	10,325,181	5,244,843
Current lease liabilities	2,504,339	773,997
Non-current lease liabilities	7,820,843	4,470,846
	10,325,181	5,244,843

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

Less than 6 months	369,471	369,471
6-12 months	1,169,487	629,213
Between 1 and 2 years	1,829,012	841,286
Between 2 and 5 years	4,950,093	3,049,040
Above 5 years	3,390,310	1,739,038
	11,708,374	**6,628,048**
Carrying amount	10,325,181	5,244,843

35 Debt securities issued

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	**110,933,768**	251,251,383	**110,933,768**	251,251,383
Green Bond (see (ii) below)	**15,426,233**	-	**15,426,233**	-
Local Bond (see (iii) below)	**31,627,876**	-	**31,627,876**	-
	157,987,877	**251,251,383**	**157,987,877**	**251,251,383**

Movement in Debt securities issued:

In thousands of Naira	Group December 2019	Bank December 2019
Net debt as at 1 January 2019	**251,251,383**	**251,251,383**
Arising from business combination	**74,270,686**	**74,270,686**
Debt securities issued	**45,000,000**	**45,000,000**
Repayment of debt securities issued	**(216,208,000)**	**(216,208,000)**
Total changes from financing cash flows	**154,314,069**	**154,314,069**
The effect of changes in foreign exchange rates	**3,124,784**	**3,124,784**
Other changes		
Interest expense	**22,913,352**	**22,913,352**
Interest paid	**(22,364,327)**	**(22,364,327)**
Balance as at 31 December 2019	**157,987,877**	**157,987,877**

In thousands of Naira	Group December 2018	Bank December 2018
Net debt as at 1 January 2018	**302,106,706**	**302,106,706**
Debt securities issued	**51,289,056**	**51,289,056**
Repayment of debt securities issued	**(118,691,111)**	**(118,691,111)**
Total changes from financing cash flows	**234,704,650**	**234,704,650**
The effect of changes in foreign exchange rates	**18,409,244**	**18,409,244**
Other changes		
Interest expense	**32,378,560**	**32,378,560**
Interest paid	**(34,241,071)**	**(34,241,071)**
Balance as at 31 December 2018	**251,251,383**	**251,251,383**

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

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

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

36 Interest bearing borrowings

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
African Development Bank (see note (a))	**20,939,343**	27,073,280	**20,939,343**	25,281,362
Netherlands Development Finance Company (see note (b))	**92,086,136**	37,690,644	**92,086,136**	37,690,644
French Development Finance Company (see note (c))	**15,520,364**	17,893,836	**-**	3,806,669
European Investment Bank (see note (d))	**36,380,291**	23,893,472	**11,543,928**	15,576,731
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	**4,693,167**	5,434,262	**4,693,167**	5,434,262
Mashreq Bank PSC Syndicated Trade Finance Facility	**-**	57,021,761	**-**	57,021,761
International Finance Corporation (see note (f))	**31,439,752**	-	**31,439,752**	-
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (g))	**8,038,249**	7,330,283	**8,038,249**	7,330,283
Bank of Industry-Intervention Fund for SMEs (see note (h))	**2,363,684**	1,972,547	**2,363,684**	1,972,547
Bank of Industry-Power & Airline Intervention Fund (see note (i))	**4,879,470**	8,457,111	**4,879,470**	8,457,111
Special Refinancing & Restructuring Intervention fund (SRRIF) see note (j)	**4,846,793**	6,485,718	**4,846,793**	6,485,718
Central Bank of Nigeria - Salary Bailout facilities (see note (k))	**62,044,365**	63,614,642	**62,044,365**	63,614,642
Central Bank of Nigeria - Excess Crude Account (see note (l))	**113,557,046**	118,248,041	**113,557,046**	118,248,041
Real Sector And Support Facility (RSSF) (m)	**18,407,176**	7,145,736	**18,407,176**	7,145,736
Development Bank of Nigeria (DBN) (see note (n))	**3,858,756**	5,544,448	**3,858,756**	5,544,448
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (o))	**48,978,051**	-	**48,978,051**	-
Nigeria Mortgage Refinance Company (NMRC) (see note (p))	**5,885,062**	-	**5,885,062**	-
Micro small and medium enterprise development fund (MSMEDF) (see note (q))	**26,544**	-	**26,544**	-
Africa Export and Import Bank (AFREXIM) (r)	**76,850,820**	-	**76,850,820**	-
Diamond finance B V (Anambra State Government (s))	**18,609,362**	-	**18,609,362**	-
BOI Power and steel (PAIF) (t)	**14,866,955**	-	**14,866,955**	-
Bank of Industry (RRF) (see note (t))	**81,290**		**81,290**	
Other loans and borrowings	**2,250,151**	610,954	**68,275**	72,486
	586,602,830	**388,416,734**	**544,064,226**	**363,682,441**

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

(a) The amount of N20,939,343,163 (USD 57,415,254) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in two tranches. The first tranche of USD35 million has matured and was fully paid out in August 2016. The second tranche was disbursed in August 2014 (USD 90m) for a period of 10years, while the third tranche came in June 2016 for (USD 10m) for a period of 9 years. The principal amount is repayable semi-annually starting from February 2017 for both tranches. Interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(b) The amount of N92,086,135,790 (USD 252,498,316) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from March 2018 (USD 100m) and Feb 2019 (USD 162.5m) for a period of 5 years and 10 years respectively. The principal amount is repayable semi-annually from July 2019 and quarterly from May 2019 respectively while interest is paid semi annually at 5.5% above 6 months LIBOR and quarterly at 7.83% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(c) There is no outstanding balance in the on-lending facility granted to the Bank by the French Development Finance Company effective from 15 December 2012 and disbursed in four tranches; February 2013 (USD 6m), October 2013 (USD 15m), October 2013 (USD 9m) and November 2014 (USD 30m) for a year of 6.5 years for the first three tranches and 5 years for the fourth tranche. The principal amount is repayable semi-annually from December 2014 with the fourth tranche repayable from January 2016 while interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(d) The amount of N11,543,928,026(USD 31,653,216) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m) and March 2016 (USD 27.1m) for a period of 6 years each for the first three and a period of 8 years each for the last two. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6% and 2.6% respectively above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(e) The amount of N4,693,167,199 (USD 12,868,569) represents the outstanding balance on the on-lending facility of USD 15mn granted to the Bank by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) in December 2017 (USD 15m) for a period of 7 and a half years. The principal amount will be repayable semi-annually from May 2019 while interest is paid semi annually at 7.69% above 6months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(f) The amount of N31,439,751,716 (USD 86,207,161) represents the outstanding balance on the on-lending facility of USD 87.5mn granted to the Bank by International Finance Corporation for a period of 10 years. The principal amount will be repayable quarterly from September 2019 while interest is paid semi annually at 7.69% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(g) The amount of N8,038,248,654 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum year of 7 years at a zero percent interest rate to the Bank The Bank did not provide security for this facility. An additional NGN1bn was availed to the bank under the Paddy Aggregation Scheme (PAS) Phase 2 for a period of 12 months at 3% in October 2019. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(h) The amount of N2,363,683,588 represents an outstanding balance on the intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility has a tenor of 10 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(i) The amount of N4,879,470,446 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 13.5 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(j) The amount of N4,846,792,700 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(k) The amount of N62,044,364,954 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 December 2019

(l) The amount of N113,557,046,307 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(m) The amount of N18,407,176,381 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) established by CBN. The facility tenor is for a range of 7 to 10 years inclusive of 24 months moratorium at a 3% interest rate to the Bank. An additional facility of NGN2bn was disbursed under the scheme for a period of 7 years inclusive of 1 year moratorium at a 3% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(n) The amount of N3,858,756,276 represents the outstanding balance on two on-lending facilities granted to the Bank by the Development Bank of Nigeria in two series in respect of the Micro, Small and Medium Scale Enterprises (MSMEs) and Small Corporates. The facilities are for a maximum of 3 years at a 9.6% interest rate to the Bank. A third series of about 1.68bn was disbursed for a period of 10 years. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(o) The amount of N48,978,051,356 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) established by CBN supporting Reddington Multi-specialist Hospital, Dana Motors and Lafarge Africa PLC. The facility is for a maximum period of 7 years inclusive of 12 months moratorium for Reddington and Dana and a 24 months moratorium for Lafarge at a 0% interest rate to the Bank. Additional amounts were disbursed between July 2019 and November 2019 in favor of 5 other beneficiaries amounting to 34.58bn for a period of 7 years with 2 years moratorium at 2% interest rate on a quarterly basis for the first 4 counterparties and 10 years with no moratorium at 1% interest rate on a quarterly basis for the last counterparty. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(p) The amount of N5,885,062,023 represents the outstanding balance on the on-lending facility granted to the Bank by Nigeria Mortgage Refinance Company. The facility is for a maximum period of 15 years commencing from the date of execution of this agreement at a 14.5% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(q) The amount of N26,544,252 represents an outstanding balance on the on-lending facility granted to the Bank under the Central Bank of Nigeria scheme Micro, Small and medium Enterprise Development Fund (MSMEDF). The on-lending facility is for a maximum tenor of 5 years where the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% to 9% per annum depending on the beneficiary. The principal amount of the on-lending facility is repayable on a monthly basis over the tenor of the borrowing which will expire in August 2020. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(r) The amount of N76,850,820,398 (USD 210,723,390) represents the outstanding balance on the on-lending facility of USD 25mn granted to the Bank by Africa Export and Import Bank (AFREXIM) in May 2018 for a period of 3 years. The principal amount will be repayable semi-annually from November 2018 while interest is paid quaterly at 7% above 3 months LIBOR. In December 2019, AFREXIM disbursed a USD200mn for a period of 3 years to be paid quarterly with a 6 months moratorium with Interest also paid quarterly at 3.64% and LIBOR. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(s) The amount N18,609,362,289 (USD 51,026,494) represents the outstanding balance on the Group's issued dollar denominated loan particpatory notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the Loan Participatory Notes, was used by the Issuer (Diamond Finance BV) for the sole purpose of providing a loan to Diamond Bank, which was in turn used by the Bank to support its business expansion and development. Diamond Bank (now Access Bank Plc), unconditionally and irrevocably guaranteed the due payment of all sums by the Issuer (Diamond Finance BV) in respect of the Notes. The Group has not had any defaults of principal or interest with respect to its subordinated liabilities during the year ended 31 December 2019. From this creditor, the bank has nil undrawn balance as at 31 December 2019.

(t) The amount of N14,948,245,521 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7%. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2019

Movement in interest bearing loans and borrowings:

In thousands of Naira	Group December 2019	Bank December 2019
Balance as at 1 January 2018	388,416,734	363,682,441
Proceeds from interest bearing borrowings	245,332,824	223,834,913
Arising from business combination	92,240,672	92,240,672
Repayment of interest bearing borrowings	(142,101,478)	(138,295,724)
Total changes from financing cash flows	583,888,751	541,462,302
The effect of changes in foreign exchange rates	2,080,813	2,085,384
Other changes		
Interest expense	22,908,552	21,865,024
Interest paid	(22,275,286)	(21,348,484)
Balance as at 31 December 2019	586,602,830	544,064,226

	Group December 2018	Bank December 2018
Balance as at 1 January 2018	311,617,187	282,291,141
Proceeds from interest bearing borrowings	121,570,297	113,475,865
Repayment of interest bearing borrowings	(48,712,386)	(37,429,722)
Total changes from financing cash flows	384,475,098	358,337,284
The effect of changes in foreign exchange rates	6,086,365	3,427,120
Other changes		
Interest expense	10,744,458	9,886,470
Interest paid	(12,889,187)	(7,968,433)
Balance as at 31 December 2018	**388,416,734**	**363,682,441**

37 Retirement benefit obligation

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Recognised liability for defined benefit obligations (see note (a) below)	**3,418,060**	2,319,707	**3,418,060**	2,319,707
Liability for defined contribution obligations	**190,977**	16,476	**-**	-
	3,609,037	**2,336,183**	**3,418,060**	**2,319,707**

(a) Defined benefit obligations

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Post employment benefit plan (see note (i) below)	**3,418,060**	2,319,707	**3,418,060**	2,319,707
Recognised liability	**3,418,060**	**2,319,707**	**3,418,060**	**2,319,707**

(i) Post employment benefit plan

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

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

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Deficit on defined benefit obligations at 1 January	**2,319,707**	2,481,916	**2,319,707**	2,481,916
Charge for the year:				
-Interest costs	**223,940**	378,523	**223,940**	378,523
-Current service cost	**376,120**	243,070	**376,120**	243,070
-Benefits paid	**(415,000)**	(300,000)	**(415,000)**	(300,000)
Net actuarial gain/(loss) for the year remeasured in OCI:	**-**		**-**	
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	**913,293**	(497,167)	**913,293**	(497,167)
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	**-**	13,365	**-**	13,365
Balance, end of year	**3,418,060**	**2,319,707**	**3,418,060**	**2,319,707**
Expense recognised in income statement:				
Current service cost	**376,120**	243,070	**376,120**	243,070
Interest on obligation	**223,940**	378,523	**223,940**	378,523
Total expense recognised in profit and loss (see Note 14)	**600,060**	**621,593**	**600,060**	**621,593**

All retired benefit obligations have been classified as non current with a closing amount of N3.42 billion for both Group and Bank

The weighted average duration of the defined benefit obligation is 7.5 years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment. The estimated contribution to the plan for the next annual reporting year is: N769.66m.

Risk exposure

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

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

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

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

The sensitivities below relates to Group and Bank.

December 2019

		Impact on defined benefit obligation	
In thousands of Naira	**Decrease in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.3%	3,610,727	(192,667)
Effect of changes in assumption to the salary growth	Decrease in liability by 5.4%	3,243,830	174,230
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.1%	3,413,659	4,401

		Impact on defined benefit obligation	
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.5%	3,239,613	178,447
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	3,604,553	(186,493)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	3,422,855	(4,795)

December 2018		Impact on defined benefit obligation	
In thousands of Naira	**Decrease in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.3%	2,442,607	(122,900)

Effect of changes in assumption to the salary growth	Decrease in liability by 4.6%	2,212,272	107,435
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.3%	2,313,455	6,252

		Impact on defined benefit obligation	
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 4.9%	2,205,666	114,041
Effect of changes in assumption to the salary growth	Increase in the liability by 4.9%	2,434,432	(114,725)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.3%	2,326,522	(6,815)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Actuarial assumptions:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

The most recent valuation was performed by Alexander Forbes as at 31 December 2018.

	December 2019	**December 2018**
Discount rate	16.10%	16.10%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	3.40%	3.40%
Withdrawal rate: 18 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 59 (average rate)	3.75%	3.75%

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

38 Capital and reserves

A Share capital

In thousands of Naira	Bank December 2019	Bank December 2018
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each	**19,000,000**	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	**1,000,000**	1,000,000
	20,000,000	20,000,000

In thousands of Naira	Bank December 2019	Bank December 2018
(b) Issued and fully paid-up :		
35,545,225,662 Ordinary shares of 50k each	**17,772,613**	14,463,986

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 year

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

In thousands of Naira	Bank December 2019	Bank December 2018
Balance, beginning of the year	**14,463,986**	14,463,986
Additions through scheme of merger	**3,308,627**	-
Balance, end of the year	**17,772,613**	14,463,986

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

In thousands of units	Group December 2019	Group December 2018
Balance, beginning of the year	**28,927,972**	28,927,972
Additions through scheme of merger	**6,617,254**	-
Balance, end of the year	**35,545,226**	28,927,972

B Share premium

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

In thousands of Naira	Group December 2019	Group December 2018
Balance, beginning of the year	**197,974,816**	197,974,816
Additions through scheme of merger	**36,064,034**	-
Balance, end of the year	**234,038,850**	197,974,816

C Retained earnings

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Retained earnings	**225,118,812**	155,592,892	**192,378,618**	148,238,575

D Other components of equity

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Other regulatory reserves (see i(a) below)	**93,322,654**	82,889,946	**83,061,699**	72,026,340
Share Scheme reserve	**1,881,768**	1,725,386	**1,881,767**	1,725,385
Treasury Shares	**(4,795,913)**	(3,401,302)	**-**	-
Capital Reserve	**3,489,083**	3,489,081	**3,489,081**	3,489,081
Fair value reserve	**964,243**	(5,622,402)	**835,472**	(6,601,426)
Foreign currency translation reserve	**11,780,013**	15,586,697	**-**	-
Regulatory risk reserve	**18,091,941**	19,942,296	**9,483,000**	9,483,001
	124,733,786	114,609,702	**98,751,020**	80,122,381

(i) Other reserves

Other regulatory reserves

Statutory reserves

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

SMEEIS Reserves

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

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

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

i(a)	Statutory reserves		SMEEIS Reserves		Total	
	December 2019	December 2018	December 2019	December 2018	December 2019	December 2018
Group						
In thousand of Naira						
Opening	**82,063,378**	69,735,588	**826,568**	826,568	**82,889,946**	70,562,156
Transfers during the year	**10,432,708**	12,327,790	**-**	-	**10,432,708**	12,327,790
Closing	**92,496,086**	82,063,378	**826,568**	826,568	**93,322,654**	82,889,946
Bank						
In thousand of Naira						
Opening	**71,199,773**	60,160,328	**826,568**	826,568	**72,026,341**	60,986,896
Transfers during the year	**11,035,359**	11,039,444	**-**	-	**11,035,359**	11,039,444
Closing	**82,235,132**	**71,199,773**	**826,568**	**826,568**	**83,061,700**	**72,026,341**

(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 predetermined vesting conditions.

(iv) Capital reserve

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

(v) Fair value reserve

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

(vi) Foreign currency translation reserve

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

(vii) Regulatory risk reserve

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

(viii) Retained earnings

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

D Non-controlling interest

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

In thousands of Naira	Group December 2019	Group December 2018
Access Bank, Gambia	720,721	747,780
Access Bank, Sierra Leone	52,367	52,539
Access Bank Zambia	2,139,647	2,940,887
Access Bank, Rwanda	1,110,453	1,122,910
Access Bank, Congo	3,248	945
Access Bank, Ghana	4,502,399	3,005,300
	8,528,835	7,870,361

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

In thousands of Naira	Group December 2019	Group December 2018
Access Bank, Gambia	17,351	37,553
Access Bank, Sierra Leone	5,044	1,019
Access Bank Zambia	152,803	308,023
Access Bank, Rwanda	63,029	142,677
Access Bank, Congo	17	147
Access Bank, Ghana	769,491	431,420
	1,007,734	920,839

	Group December 2019	Group December 2018
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12%
Access Bank, Sierra Leone	3%	3%
Access Bank Zambia	30%	30%
Access Bank, Rwanda	25%	25%
Access Bank Congo	0%	0%
Access Bank, Ghana	7%	7%

Transactions with non-controlling interests

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

E Dividends

In thousands of Naira	Bank December 2019	Bank December 2018
Interim dividend paid (2019: 25k, 2018: 25k)	**8,886,306**	7,231,992
Final dividend declared (2019: 40k, 2018: 25k)	**14,218,090**	11,571,188
	23,104,397	18,803,180
Number of shares	**35,545,226**	28,927,972

The Directors proposed a final dividend of 40k for the year ended 31 December 2019

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. N312mn provision has been made as at 31 December 2019.

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:

	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
In thousands of Naira				
Contingent liabilities:				
Transaction related bonds and guarantees	**477,932,817**	452,083,539	**451,514,549**	358,862,448
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	**419,584,999**	307,761,666	**324,529,363**	205,997,841
	897,517,816	**759,845,205**	**776,043,912**	**564,860,289**

The Bank granted clean line facilities for letters of credit during the year to guarantee the performance of customers to third parties. Contractual capital commitments undertaken by the Bank during the year amounted to N311.92Mn(31 Dec 2018: N879.80Mn)

40 Cash and cash equivalents

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

In thousands of Naira	Group December 2019	Group December 2018	Bank December 2019	Bank December 2018
Cash on hand and balances with banks	**431,130,867**	410,551,930	**321,270,808**	166,871,427
Unrestricted balances with central banks	**117,883,813**	29,366,693	**97,734,073**	6,759,948
Money market placements	**48,838,460**	220,309,729	**32,822,515**	46,392,634
Investment under management	**23,799,663**	20,709,989	**23,799,663**	20,709,989
Treasury bills with original maturity of less than 90days	**604,378,216**	183,626,571	**604,378,216**	183,626,571
	1,226,031,019	**864,564,912**	**1,080,005,274**	**424,360,569**

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 December 2019	Bank December 2019	Group December 2019	Bank December 2019
Net debt	251,251,383	251,251,383	388,416,734	363,682,441
Proceeds from interest bearing borrowings	-	-	245,332,824	223,834,913
Arising from business combination	74,270,686	74,270,687	92,240,672	92,240,672
Repayment of interest bearing borrowings	-	-	(142,101,478)	(138,295,724)
Debt securities issued	45,000,000	45,000,000	-	-
Repayment of debt securities issued	(216,208,000)	(216,208,000)	-	-
Total changes from financing cash flows	154,314,069	154,314,071	583,888,753	541,462,303
The effect of changes in foreign exchange rates	3,124,784	3,124,784	2,080,813	2,085,384
Other changes				
Interest expense	22,913,352	22,913,352	22,908,552	21,865,024
Interest paid	(22,364,327)	(22,364,327)	(22,275,286)	(21,348,484)
Balance	157,987,877	157,987,879	586,602,831	544,064,227

	Debt securities issued		Interest bearing borrowings	
	Group December 2018	Bank December 2018	Group December 2018	Bank December 2018
Net debt	302,106,707	302,106,707	311,617,187	282,291,141
Proceeds from interest bearing borrowings	-	-	121,570,297	113,475,865
Repayment of interest bearing borrowings	-	-	(48,712,386)	(37,429,722)
Debt securities issued	51,289,056	51,289,056	-	-
Repayment of debt securities issued	(118,691,111)	(118,691,111)	-	-
Total changes from financing cash flows	234,704,652	234,704,652	384,475,098	358,337,284

The effect of changes in foreign exchange rates	18,409,243	18,409,244	6,086,365	3,427,120
Other changes				
Interest expense	32,378,560	32,378,560	10,744,458	9,886,470
Interest paid	(34,241,071)	(34,241,071)	(12,889,187)	(7,968,433)
Balance	**251,251,383**	**251,251,385**	**388,416,734**	**363,682,441**

(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

Acquisition of Right of use assets-(see note 28 (b))

Partial settlement of a business combination through the issuance of shares (see note 44(a)i

41 Contraventions of the Banks and Other Financial Institutions Act of Nigeria and CBN circulars

S/N	Regulatory Body	Infraction
(I)	Central Bank of Nigeria	Sum of N4 million in respect of failure to comply with the Bank's manual of operations for funds transfer
(II)	Central Bank of Nigeria	Sum of N2 million in respect of failure to comply with the CBNs AML/CFT review for the period of April 2017-March 2018
(III)	Central Bank of Nigeria	Sum of N8 million in respect of failure to comply with the CBNs AML/CFT review for the period of July 2017 -June 2018
(IV)	Central Bank of Nigeria	Sum of N4 million in respect of delay in responding to customer's complaints
(V)	The Nigerian Stock Exchange	Sum of N4.410 million in respect of late disclosure of resolutions passed at Board Meetings in respect of business combination with defunct Diamond Bank Plc

42 Events after reporting date

Subsequent to the end of the financial year, the Board of Directors proposed an final dividend of 40k each payable to shareholders on register of shareholding at the closure date.

43 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Access Bank Plc and its subsidiaries.

Parent
The parent company, which is also the ultimate parent company, is Access Bank Plc.

(a) Loans and advances to related parties

The bank granted various credit facilities to its subsidiary companies and key management personnel. Key Management Personnel is defined as members of the Board of Directors of the bank, including their close members of family and any entity over which they exercise control. Close member of family are those who may be expected to influence or be influenced by that individual in dealings with the bank. The rates and terms agreed are comparable to other facilities being held in the bank's portfolio. Details of these are described below:

year ended 31 December 2019	Directors and other key management personnel (and close family members)	Subsidiaries	Total
In thousands of Naira			
Balance, beginning of year	1,097,271	100,961,972	**102,059,243**
Net movement during the year	368,986	77,186,534	**77,555,519**
Balance, end of year	1,466,257	178,148,506	**179,614,763**
Interest income earned	154,593	3,848,868	**4,003,461**
Bad or doubtful debts due from related parties expense	-	-	**-**

The loans issued to directors and other key management personnel (and close family members) as at 31 December 2019 is N1.466Bn and they are repayable in various cycles ranging from monthly to annually over the tenor. The transactions were carried out at arms length and have an average tenor of 2 years. The loans are collateralised by a combination of lien on shares of quoted companies, fixed and floating debentures, corporate guarantee, negative pledge, domiciliation of proceeds of company's receivables, legal mortgages and cash.

The loan to subsidiaries relates to a foreign interbank placements of USD526M granted during the year. It is a non-collateralised placement advanced at an average interest rate of 2% and an average tenor of 11 months. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at year end.

(b) Deposits from related parties

	Directors (and close family members and related entities)	Subsidiaries	Total
Year ended 31 December 2019			
In thousands of Naira			
Balance, beginning of year	3,247,003	100,710,710	**103,957,714**
Net movement during the year	528,501	11,722,907	**12,251,407**
Balance, end of year	3,775,504	112,433,617	**116,209,121**
Interest expenses on deposits	147,048	3,993,670	**4,140,719**

The deposits are majorly term deposit with an average interest rate and tenor of approximately 9% and 11 months for directors and 6% and 4 months for subsidiaries.

(c) Borrowings from related parties

In thousands of Naira	Subsidiaries	Total
Borrowings at 1 January 2019	-	-
Net movement during the year	18,629,957	**18,629,957**
Borrowings at 31 December 2019	18,629,957	**18,629,957**
Interest expenses on borrowings	1,296,473	**1,296,473**

(d) Other balances and transactions with related parties

In thousands of Naira	Directors (and close family members and related entities)	Subsidiaries	Total
Cash and cash equivalent	-	18,644,761	**18,644,761**
Derivative financial instruments	-	-	**-**
Deposit for Investments	-	-	**-**
Deposit from financial institutions	-	4,169,999	**4,169,999**
Receivables	-	22,027	**22,027**
Payables	-	608,725	**608,725**
Other Liabilities	-	997,161	**997,161**
Fee and commission expense	66,362	32,762	**99,124**
Debt securities	-	669,125	**669,125**
Interest bearing borrowings	-	347,756	**347,756**
Off balance sheet exposures	-	28,263,109	**28,263,109**

(e) Key management personnel compensation for the year comprises:

Directors' remuneration

In thousands of Naira	December 2019	December 2018
Non-executive Directors		
Fees	**51,875**	**51,875**
Other emoluments:		
Allowances	**421,955**	**375,849**
	473,830	**427,724**

	December 2019	December 2018
Executive directors		
Short term employee's benefit	**266,420**	**237,820**
Defined contribution plan	**27,840**	**14,364**
Share based payment	**68,628**	**39,189**
Retirement benefits paid	**415,000**	**707,744**
	777,888	**999,117**

(f) Directors remuneration:

Remuneration paid to directors of the Bank (excluding pension contributions and other benefits) was as follows:

	December 2019	December 2018
In thousands of Naira		
Fees as Directors	51,875	51,875
Other emoluments	421,955	285,599
Wages and salaries	266,420	145,310
Allowances	135,625	90,250

The Directors remuneration show above includes

	December 2019	December 2018
Chairman	52,208	50,513
Highest paid director	85,160	85,160

The emoluments of all other directors fell within the following ranges:

	December 2019	December 2018
N13,000,001-N20,000,000	6	6
N20,000,001-N37,000,000	9	8
	15	14

44 Business Combination

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

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

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

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

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

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

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

(i) a cash consideration of N1.00 (one Naira) per Diamond Bank Share representing a total cash amount of N23,160,388,968 (twenty-three billion, one hundred and sixty million, three hundred and eighty-eight thousand, nine hundred and sixty-eight Naira) and,

(ii) the allotment of 6,617,253,991 (six billion, six hundred and seventeen million two hundred and fifty-three thou-sand, nine hundred and ninety-one) new Access Bank ordinary shares, representing the 2 new Access Bank ordinary shares for every 7 Diamond Bank shares.

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

(a) Brand name

(b) Customer relationships

(c) Customer deposits

(a) Goodwill arising from business combination

In thousands of Naira	Group December 2019	Bank December 2019
Considerations:		
Cash payment	23,160,389	23,160,389
Access Bank's shares to issue to Diamond Bank's shareholders (see (i) below)	39,372,661	39,372,661
Total Consideration	62,533,050	62,533,050
Net assets acquired from business combination (see note 44 (b) below)	(2,962,304)	3,631,177
Fair value adjustment	(8,294,067)	(8,975,074)
Goodwill	(51,276,679)	(57,189,153)

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

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

The fair value of the net assets acquired include:

(b)	Group March 2019	Fair value adjustment March 2019	Total Fair value March 2019	Bank March 2019	Fair value adjustment March 2019	Total Fair value March 2019
Assets						
Cash and balances with banks	311,585,028	-	311,585,028	311,581,376	-	311,581,376
Non pledged trading assets	20,811,592	-	20,811,592	20,811,592	-	20,811,592
Derivative financial assets	336,110	-	336,110	336,110	-	336,110
Pledged assets	107,279,524	-	107,279,524	107,204,232	-	107,204,232
Loans to banks	82,959,460	-	82,959,460	107,224,889	-	107,224,889
Loans and advances to customers	510,828,965	-	510,828,965	510,813,249	-	510,813,249
Investment securities	159,486,262	(3,568,189)	155,918,073	159,380,198	(3,568,189)	155,812,009
Investment properties	4,053,511	-	4,053,511	3,878,511	-	3,878,511
Other assets	36,519,653	-	36,519,653	36,417,649	-	36,417,649
Investment in subsidiaries	-	-	-	2,000,000	-	2,000,000
Investment in associates	98,915	-	98,915	98,915	-	98,915
Property and equipment	51,163,230	12,543,263	63,706,493	51,093,358	12,543,265	63,636,623
Intangible assets	2,375,124	-	2,375,124	2,310,365	-	2,310,365
Deferred tax assets	4,984,388	-	4,984,388	4,984,389	-	4,984,389
	1,292,481,763	8,975,073	1,301,456,836	1,318,134,832	8,975,074	1,327,109,909
Asset classified as held for sale and discontinued operations	48,965,253	-	48,965,253	7,976,260	-	7,976,260
Total assets	1,341,447,016	8,975,073	1,350,422,089	1,326,111,092	8,975,074	1,335,086,169
Liabilities						
Deposits from financial institutions	51,430,800	-	51,430,800	51,430,800	-	51,430,800
Deposits from customers	1,055,147,349	-	1,055,147,349	1,059,028,333	-	1,059,028,333
Derivative Liabilities	18,294	-	18,294	18,294	-	18,294
Current tax liabilities	472,844	-	472,844	327,525	-	327,525
Other liabilities	54,182,450	-	54,182,450	61,401,034	-	61,401,034
Deferred tax liabilities	13,071	-	13,071	-	-	-
Debt securities issued	74,270,686	-	74,270,686	74,270,686	-	74,270,686
Interest-bearing borrowings	92,240,671	-	92,240,671	92,240,671	-	92,240,671
	1,327,776,165	-	1,327,776,165	1,338,717,343	-	1,338,717,343
Liabilities classified as held for sale and discontinued operations	19,683,622			-	-	-
Total liabilities	1,347,459,787	-	1,327,776,165	1,338,717,343	-	1,338,717,343
Net assets	(6,012,770)	8,975,073	22,645,925	(12,606,251)	8,975,074	(3,631,174)

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

	Group December 2019	Bank December 2019
Consideration paid in cash	(23,160,389)	(23,160,389)
Cash and cash equivalents acquired from business combination(see (i) below)	53,422,847	53,419,195
	30,262,458	30,258,806

(i) Cash and cash equivalents acquired from business combination

	Group December 2019	Bank December 2019
Cash and balances with banks	311,585,028	311,581,376
Restricted deposits with central banks	(258,162,181)	(258,162,181)
	-	-
	53,422,847	53,419,195

45 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.

b. Full compliance with the relevant CBN policies on insider-related lending.

c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.

d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.

e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.

f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a year of more than 12months.

The Bank's gross exposure to all its directors as at 31 December 2019 is N1.95bn. However, the relevant obligors under this category also have credit balances and deposits maintained in their bank accounts which mitigate the risks to the bank.

Below is a schedule showing the details of the Bank's director-related lending:

S/N	Name of borrower	Relationship to reporting institution	Name of related Directors	Facility type	Outstanding Principal	Status	Nature of security
1	Asset Management Group Limited	Ex-Chairman	Mr. Gbenga Oyebode	Time loan	1,440,585,288	Performing	1. Pledged properties at Ikoyi Lagos 2. Personal guarantee 3 Domiciliation of Rental Income
2	Sic Property and Invest-ment Company Ltd	Ex Non-executive director	Mr Ortisedere Otubu	Term Loan	119,983,764	Performing	1. Legal Mortgage
							2. Personal Guarantee
							3. Debenture
3	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	342,586,588	Performing	Cash collateral
				Credit Card	17,240,314	Performing	Cash collateral
4	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Term Loan	25,000,000	Performing	Cash collateral
				Credit Card	4,155,195	Performing	Cash collateral
Balance, end of year					**1,949,551,148**		

46 Non-audit services

During the year, the Bank's auditor, PricewaterHouseCoopers, was awarded the contract below;

	Service	Description	Sum
1	NDIC Certification	Certification of total deposit liabilities outstanding in the books of the bank as at 31 December 2019	3,000
2	Scrutineering for Court-Ordered Meeting	The performance of agreed upon procedure as scrutineers in respect of the court-ordered meeting on March 5, 2019 of shareholders of Access Bank Plc to consider and approve the Scheme of Merger between the Bank and Diamond Plc.	1,000
3	Engagement with FIRS on behalf of the defunct Diamond Bank	PwC was required to assist Diamond (now Access Bank) in liasing with the FIRS in order to: a. Seek relevant clarification regarding the exercise of FIRS' power of substitution. b. Assist the Bank to object to the substitution order where necessary and in line with extant provisions of the law. c. Have meeting with the FIRS to resolve any issues relating to the order; and d. Communicate request by the Bank's customers which will assist in quick resolution of the substitution orders.	1,500
4	Review of Operational Risk Management practices	PwC was required to assist with the review of the Bank's Operational Risk Management (ORM) practices in line with leading practice, Basel guidelines and expected regulations.	25,000
5	Data Migration	The service also includes ISO 19600 training to selected staff members.	40,000

In the Bank's opinion, the provision of these services to the Bank did not impair the independence and objectivity of the external auditor.

47 Discontinued operations

Assets and liabilities of a disposal group held for sale and discontinued operations

(a) Assets and liabilities of disposal group held for sale comprise the assets and liabilities of Diamond Bank UK as at 19 March 2019.

Diamond Bank UK was disposed effective 3 April 2019. The disposal group comprised the following assets and liabilities

	Group 19 March 2019	Intercompany eliminations 19 March 2019	Total 19 March 2019	Bank 19 March 2019
Assets				
Cash and balances with central banks	1,644,802	-	1,644,802	-
Derivative financial instruments	34,498	-	34,498	-
Loans and advances to banks	35,494,396	(7,257,193)	28,237,203	-
Loans and advances to customers	5,081,990	-	5,081,990	-
Investment in subsidiaries	-	-	-	7,976,260
FVOCI investments	11,533,351	-	11,533,351	-
Property and equipment	-	-	-	-
Intangible assets	-	-	-	-
Goodwill	-	-	-	-
Other assets	2,433,409	-	2,433,409	-
	56,222,446	(7,257,193)	48,965,253	7,976,260
Liabilities				
Deposits from banks	25,693,923	(24,274,898)	1,419,025	-
Deposits from customers	3,408	-	3,408	-
Derivative liability	-	-	-	-
Current tax liabilities	-	-	-	-
Other liabilities	1,744,295	-	1,744,295	-
Borrowings	16,516,894	-	16,516,894	-
Total liabilities held for sale	43,958,520	(24,274,898)	19,683,622	

	Group 19 March 2019	Intercompany eliminations 19 March 2019	Total 19 March 2019
Gross earnings	1,400,795	(195,945)	1,204,850
Interest income	1,188,856	(164,167)	1,024,689
Interest expense	(710,365)	446,910	(263,455)
Net interest income	478,491	282,743	761,234
Net impairment charge	-	-	-
Net interest income after impairment charges	478,491	282,743	761,234
Fee and commission income	167,355	(31,778)	135,577
Fee and commission expense	(42,841)	8,864	(33,977)
Net fee and commission income	124,514	(22,914)	101,600

Provision for losses	(1,359,896)	-	(1,359,896)
Net trading income	(74,314)	-	(74,314)
Other operating income	118,898	-	118,898
Net operating income	(1,315,312)	-	(1,315,312)
Personnel expenses	(556,176)	-	(556,176)
Depreciation and Amortization	(23,453)	-	(23,453.00)
Operating lease expenses	(88,287)	-	(88,287)
Other operating expenses	(236,321)	-	(236,321)
Total operating expenses	(904,237)	-	(904,237)
Profit before tax	(1,616,544)	259,829	(1,356,715)
Income tax	-	-	-
Profit for the year	(1,616,544)	259,829	(1,356,715)
Other comprehensive income			
Foreign currency translation differences	175,251	-	175,251
Fair value gains on FVOCI investments	77,840	-	77,840
Total other comprehensive income for the year	253,091	-	253,091
Total comprehensive income for the year	(1,363,453)	259,829	(1,103,624)

(b) Disposal of subsidiary

	Group	Bank
	31 December 2019	31 December 2019
Proceeds Received	12,622,649	12,622,649
Cost of sale	(358,723)	(358,723)
Net proceeds	12,263,926	12,263,926
Net assets	12,263,926	7,976,260
Impairment charged	-	-
Net realizable value	12,263,926	7,976,260
Gain/(Loss) on Disposal	-	4,287,666

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira

	Group December 2019	%	Group December 2018	%
Gross earnings	**666,753,600**		253,024,189	
Interest expense				
Foreign	**(51,896,854)**		(14,760,897)	
Local	**(161,899,034)**		(63,553,557)	
	452,957,713		174,709,735	
Net impairment (loss) on financial assets	**(21,570,098)**		(7,644,688)	
Net impairment loss on other financial assets	**1,380,705**		304,482	
Bought-in-materials and services				
Foreign	**(4,615,091)**		(5,077,790)	
Local	**(163,158,795)**		(59,249,705)	
Value added	**264,994,436**		**103,042,034**	
Distribution of Value Added				
To Employees:				
Employees costs	**76,964,138**	29%	26,085,304	25%
To government				
Government as taxes	**17,868,920**	7%	6,217,565	6%
To providers of finance				
Interest on borrowings	**46,944,180**	18%	23,075,095	22%
Dividend to shareholders	**17,772,613**	7%	11,571,189	11%
Retained in business:				
For replacement of property and equipment and intangible assets	**25,707,536**	10%	8,038,893	8%
For replacement of equipment on lease	**-**	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	**79,737,046**	30%	28,053,989	27%
	264,994,436	**100%**	**103,042,034**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira	Bank December 2019	%	Bank December 2018	%
Gross earnings	**576,347,839**		212,678,259	
Interest expense				
Foreign	**(54,084,352)**		(15,299,255)	
Local	**(139,845,670)**		(55,220,246)	
	382,417,818		142,158,757	
Net impairment (loss) on financial assets	**(22,694,279)**		(7,236,191)	
Net impairment loss on other financial assets	**1,638,801**		397,828	
Bought-in-materials and services				
Foreign	**(4,615,091)**		(5,077,792)	
Local	**(146,744,603)**		(48,940,280)	
Value added	**210,002,646**		**81,302,323**	
Distribution of Value Added				
To Employees:				
Employees costs	**60,712,847**	29%	18,274,247	25%
To government				
Government as taxes	**9,097,722**	4%	3,149,910	8%
To providers of finance				
Interest on borrowings	**45,521,346**	22%	23,022,521	28%
Dividend to shareholders	**17,772,613**	8%	11,571,189	11%
Retained in business:				
For replacement of property and equipment	**21,101,674**	10%	6,780,344	7%
For replacement of equipment on lease	**-**	0%	1,017,137	1%
Retained profit (including Statutory and regulatory risk reserves	**55,796,442**	27%	17,486,975	20%
	210,002,646	**100%**	**81,302,323**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

	December 2019	December 2018	*Restated December 2017	*Restated December 2016	December 2015
Group					
	12 months	12 months	12 months	12 months	12 months
In thousands of Naira	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	723,064,003	740,926,362	547,134,325	413,421,081	478,409,336
Investment under management	28,291,959	23,839,394	20,257,131	14,871,247	10,403,608
Non pledged trading assets	129,819,239	38,817,147	46,854,061	44,629,579	52,298,422
Pledged assets	605,555,891	554,052,956	447,114,404	314,947,502	203,715,397
Derivative financial instruments	143,520,553	128,440,342	93,419,293	156,042,984	77,905,020
Loans and advances to banks	152,825,081	142,489,543	68,114,076	45,203,002	42,733,910
Loans and advances to customers	2,911,579,708	1,993,606,233	1,995,987,627	1,809,459,172	1,365,830,831
Investment securities	1,084,604,185	501,072,480	278,167,758	229,113,772	186,223,126
Investment properties	927,000	-	-	-	-
Other assets	1,055,510,452	704,326,780	489,563,282	363,723,078	83,014,503
Property and equipment	211,214,238	103,668,719	97,114,642	84,109,052	73,329,927
Intangible assets	65,932,754	9,752,498	8,295,855	6,939,555	6,440,616
Deferred tax assets	8,807,563	922,660	740,402	1,264,813	10,845,612
Assets classified as held for sale	24,957,519	12,241,824	9,479,967	140,727	179,843
Total assets	7,146,610,145	4,954,156,938	4,102,242,826	3,483,865,569	2,591,330,151
Liabilities					
Deposits from financial institutions	1,186,356,314	994,572,845	450,196,970	167,356,583	72,914,421
Deposits from customers	4,255,837,303	2,564,908,384	2,244,879,075	2,089,197,286	1,683,244,320
Derivative financial instruments	6,885,680	5,206,001	5,332,177	30,444,501	3,077,927
Current tax liabilities	3,531,410	4,057,862	7,489,586	5,938,662	7,780,824
Other liabilities	324,333,873	246,438,951	258,166,549	115,920,249	69,355,947
Deferred tax liabilities	11,272,928	6,456,840	8,764,262	3,699,050	266,644
Debt securities issued	157,987,877	251,251,383	302,106,706	316,544,502	149,853,640
Interest-bearing borrowings	586,602,830	388,416,734	311,617,187	299,543,707	231,467,161
Retirement benefit obligations	3,609,037	2,336,183	2,495,274	3,075,453	5,567,800
Total liabilities	6,536,417,248	4,463,645,183	3,591,047,788	3,031,719,993	2,223,528,684
Equity					
Share capital and share premium	251,811,463	212,438,802	212,438,802	212,438,802	212,438,802
Retained earnings	225,118,811	155,592,892	113,449,307	91,265,019	51,730,369
Other components of equity	124,733,788	114,609,701	178,399,413	142,194,725	99,732,330
Non controlling interest	8,528,833	7,870,360	6,907,515	6,247,028	3,899,966
Total equity	610,192,896	490,511,755	511,195,037	452,145,575	367,801,467
Total liabilities and Equity	7,146,610,145	4,954,156,938	4,102,242,826	3,483,865,569	2,591,330,151

Gross earnings	**666,753,600**	528,744,579	459,075,779	381,320,781	337,404,230
Profit before income tax	**115,378,579**	103,187,703	78,169,119	87,990,444	75,038,117
Profit from continuing operations	**97,509,659**	94,981,086	60,087,491	69,090,335	65,868,773
Profit for the year	**97,509,659**	94,981,086	60,087,491	69,090,335	65,868,773
Non controlling interest	**1,007,734**	962,845	13,090	322,322	536,233
Profit attributable to equity holders	**96,501,925**	94,018,240	60,074,401	68,768,013	65,332,540

Dividend paid	**17,772,613**	18,803,180	18,803,180	15,910,384	15,241,014
Earning per share - Basic	**289k**	330k	218k	249k	265k
- Adjusted	**284k**	325k	214k	245k	262k
Number of ordinary shares of 50k	**35,545,225,623**	28,927,971,631	28,927,971,631	28,927,971,631	28,927,971,631

OTHER NATIONAL DISCLOSURES

Other financial Information

Five-year Financial Summary

			*Restated	*Restated	
	December 2019	**December 2018**	**December 2017**	**December 2016**	**December 2015**
Bank					
	12 months	12 months	12 months	12 months	12 months
In thousands of Naira	**N'000**	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	**575,906,273**	338,289,912	252,521,543	219,813,090	405,998,636
Investment under management	**28,291,959**	23,839,394	20,257,131	14,871,247	10,403,608
Non pledged trading assets	**76,971,761**	36,581,058	43,016,990	44,629,579	52,298,422
Pledged assets	**605,555,891**	554,052,956	440,503,327	314,947,502	200,464,624
Derivative financial instruments	**143,480,073**	128,133,789	92,390,219	155,772,662	77,852,349
Loans and advances to banks	**164,413,001**	100,993,116	101,429,001	104,006,574	60,414,721
Loans and advances to customers	**2,481,623,671**	1,681,761,862	1,771,282,739	1,594,562,345	1,243,215,309
Investment securities	**813,706,953**	258,580,286	121,537,302	161,200,642	155,994,798
Other assets	**1,004,310,286**	625,813,176	469,812,502	348,778,639	78,623,381
Investment properties	**727,000**	-	-	-	-
Investment in subsidiary	**131,458,709**	111,203,496	87,794,631	59,239,252	45,439,246
Property and equipment	**188,634,458**	88,392,543	83,676,723	71,824,472	65,900,384
Intangible assets	**71,003,729**	8,231,197	5,981,905	5,173,784	4,977,908
Deferred tax assets	**-**	-	-	-	10,180,832
Assets classified as held for sale	**24,957,518**	12,241,824	9,479,967	140,727	179,843
Total assets	**6,311,041,282**	3,968,114,609	3,499,683,982	3,094,960,514	2,411,944,061
Liabilities					
Deposits from banks	**1,079,284,414**	616,644,611	276,140,835	95,122,188	63,343,785
Deposits from customers	**3,668,339,811**	2,058,738,930	1,910,773,713	1,813,042,872	1,528,213,883
Derivative financial instruments	**6,827,293**	5,185,870	5,306,450	30,275,181	2,416,378
Debt securities issued	**157,987,877**	251,251,383	302,106,706	243,952,418	78,516,655
Current tax liabilities	**1,409,436**	2,939,801	4,547,920	5,004,160	6,442,311
Other liabilities	**302,261,951**	222,046,143	242,948,060	109,887,952	64,094,358
Retirement benefit obligations	**3,418,060**	2,319,707	2,481,916	3,064,597	5,567,800
Interest-bearing borrowings	**544,064,226**	363,682,441	282,291,141	372,179,785	302,919,987
Deferred tax liabilities	**4,507,110**	4,505,966	7,848,515	3,101,753	-
Total liabilities	**5,768,100,178**	3,527,314,852	3,034,445,256	2,675,630,906	2,051,515,157
Equity					
Share capital and share premium	**251,811,463**	212,438,802	212,438,802	212,438,802	212,438,802
Retained earnings	**192,378,619**	148,238,575	115,966,230	90,980,177	49,459,102
Other components of equity	**98,751,022**	80,122,380	136,833,692	115,910,630	98,531,000
Total equity	**542,941,103**	440,799,756	465,238,725	419,329,609	360,428,904
Total liabilities and Equity	**6,311,041,282**	3,968,114,609	3,499,683,982	3,094,960,514	2,411,944,061

Gross earnings	**576,347,839**	435,743,037	398,161,576	331,000,972	302,061,975
Profit before income tax	**82,666,776**	75,248,146	65,140,136	78,230,565	65,177,914
Profit for the year	**73,569,054**	73,596,295	51,335,460	61,677,124	65,868,773
Dividend paid	**17,772,613**	18,803,180	18,803,180	15,910,384	13,729,777
Earning per share - Basic	**217k**	254k	177k	221k	174k
- Adjusted	**217k**	254k	184k	221k	174k
Number of ordinary shares of 50k	**28,927,971,631**	28,927,971,631	28,927,971,631	28,927,971,631	22,882,918,908

05
SHAREHOLDER INFORMATION

Access Bank's commitment to effectively communicate with its shareholders

SHAREHOLDER ENGAGEMENT

The Board and Management of Access Bank are committed to ensuring transparency in their dealings with stakeholders. Accordingly, we provide shareholders with a continuous and timely flow of financial and non-financial information in order to ensure that their expectations are aligned with the Bank's corporate objectives.

Access Bank continues to carry out several enhancements of its investor relations programme to effectively communicate with shareholders. The Bank, in keeping with best practice, employs various channels of communication to provide information to its shareholders:

CHANNEL	DESCRIPTION
Annual Report and Accounts	The Annual Report and Accounts is a comprehensive report of the Bank's activities throughout the preceeding year. It is produced in paper and electronic format and posted to Shareholders and other stakeholders at least 21 days before the Annual General Meeting as required by law.
Website	The Bank's website. www.accessbankplc.com. serves as a go-to resource and is continuously updated with relevant information for our shareholders.

CHANNEL	DESCRIPTION
Result Announcement	The Bank ensures complete access to financial performance information through the publication of quarterly and annual results in the papers and online media.
Conference calls	Following the publication of the Bank's results is the conference call with shareholders. investors and analysts. The conference calls provide the investors community to gain a better understanding of the Bank's performance and future plans.
Annual General Meeting (AGM)	The Annual General Meeting is an annual event during which the Bank's Board and Senior Management meet with shareholders to discuss the Bank's performance, strategy and other concerns of shareholders. Decisions are reached by majority vote as required by law.
Shareholder Associations Meeting	In addition to the Annual General Meeting, the Bank considers it important to hear from representatives of various shareholder associations in order to address shareholders' concerns and receive advice from shareholders.
Non-Deal Road Show	The Bank's management team ensures that it meets international and local Shareholders at least once a year.

Rights and responsibilities of Shareholders

Our Shareholders are encouraged to share in the responsibility of sustaining the Bank's corporate values by exercising their rights which include

- Voting at the Shareholders' meeting
- Sharing in the property of the company upon dissolution
- Participating in Shareholders' meetings
- Electing and removing Directors
- Approving bylaws and changes thereto
- Appointing the auditor of the Bank
- Examining corporate records, financial statements and Directors' reports and
- Approving major or fundamental changes (such as those affecting a company's structure or business activities).

Enquiries and Complaints Management

The Investors Enquiries and Complaints Management Policy ('the Policy') sets out the manner and circumstances in which the Shareholders of the Bank may contact the Bank regarding their shareholding interest in the Bank and how the Bank will address the shareholders' concerns. It provides guidance to the individuals within the Bank that are responsible for handling and resolving shareholders' complaints or enquiries. The policy provides for efficient, fair and timely management and resolution of shareholders' enquiries and complaints.

The policy is made pursuant to the Securities and Exchange Commission's rules relating to the Complaints Management Framework of the Nigerian Capital Market and the implementing Circular Number NSE/LARD/CIR6/15/04/22 issued by the Nigerian Stock Exchange and is contained in Page 423 of this report.

INVESTOR RELATIONS CONTACT DETAILS

	Retail Shareholders	Institutional Investors & Financial Analysts
E-mail	shareholderservices@accessbankplc.com info@unitedsecuritieslimited.com	investorrelations@accessbankplc.com
Phone	234-1-2364130 234-1-2714566-7	234-1-2364130
Contact Address	United Securities Ltd. Plot 09, Amodu Ojikutu Street, Victoria Island, Lagos. Shareholder Services Unit, Access Bank Plc. Access Tower 14/15, Prince Alaba Oniru Street, Oniru Estate, Lekki, Lagos	Investor Relations Unit Access Bank Plc Access Tower 14/15 Alaba Oniru, Street, Oniru Estate, Lekki, Lagos.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting of members of **ACCESS BANK PLC** ('the Bank') will hold at Access Tower, Plot 14/15, Prince Alaba Oniru Street, Oniru Estate, Lekki, Lagos on Thursday, April 30, 2020 at 10.00 a.m. You will be asked to consider and, if thought fit, to pass the resolutions below:

A. ORDINARY BUSINESS

As Ordinary Resolutions:

1. To receive the Group's Audited Financial Statements for the year ended December 31, 2019 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a final dividend.
3. To re-elect **Mr. Iboroma Akpana** as an Independent Non-Executive Director.
4. To re-elect **Mr. Adeniyi Adekoya** as an Independent Non-Executive Director.
5. To elect **Mrs. Ifeyinwa Osime** who was appointed as an Independent Non- Executive Director by the Board of Directors since the last Annual General Meeting.
6. To elect **Dr. Okey Nwuke** who was appointed as a Non- Executive Director by the Board of Directors since the last Annual General Meeting.
7. To authorise the Directors to fix the remuneration of the Auditors.
8. To elect/re-elect members of the Audit Committee.

B. SPECIAL BUSINESS

As Ordinary Resolution:

9. That the Directors' fees for the financial year ending December 31, 2020 be and is hereby fixed at **NGN 51,875,000.00 (Fifty-One Million, Eight Hundred and Seventy-Five Thousand Naira Only).**

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is attached to this Notice and it is valid for the purpose of the meeting.

Shareholders should note that the Corporate Affairs Commission has in view of the Covid-19 pandemic and following the Government's restriction on public gathering approved that attendance to the Meeting shall only be by proxy to ensure public health and safety. Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commissions' Guideline to the office of Group Company Secretary, Access Bank Plc , Plot 14/15 , Prince Alaba Oniru Street, Oniru Estate, Lekki, Lagos and/or groupcompanysecretariat@accessbankplc.com not later than April 24, 2020 to enable the Bank stamp the proxy forms and lodge same with the Registrars not later than 48 hours prior to the time of the meeting.

Dated this 3rd day of April 2020

BY ORDER OF THE BOARD

SUNDAY EKWOCHI

Company Secretary

FRC/2013/NBA/00000005528

NOTES

Dividend

If the proposed Final Dividend of 40 Kobo per every 50 Kobo ordinary share is approved, dividend will be payable on April 30, 2020 to shareholders whose names appear in the Register of Members at the close of business on April 14, 2020 (bringing the Total Dividend paid for 2019 financial year to 65 kobo per share). Shareholders who have completed the e-dividend mandate forms will receive direct credit of the dividend into their bank accounts on the date of the Annual General Meeting.

Closure of Register of Members

The Register of Members and Transfer Books of the Bank will be closed on April 15, 2020 to enable the Registrar prepare for the payment of dividend.

Statutory Audit Committee

The Audit Committee consists of 3 shareholders and 3 directors. In accordance with S.359 (5) of the Companies and Allied Matters Act, 1990, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

The Central Bank of Nigeria and the Securities and Exchange Commission in their respective Codes of Corporate Governance require that at least one member of the Audit Committee should be knowledgeable in internal control processes, accounting and financial matters. Consequently, a detailed resume disclosing requisite qualification should be submitted with each nomination.

E-Dividend

Shareholders are kindly requested to update their records and advise the Registrar, United Securities Limited of their updated records and relevant bank account details for payment of dividend. Detachable forms in respect of mandate for e-dividend payment, unclaimed dividend/stale warrants and shareholder's data update are attached to the Annual Report for convenience. The aforementioned forms can also be downloaded from the Bank's website at www.accessbankplc.com or from United Securities Limited's website at www.unitedsecuritieslimited.com.

The duly completed forms should be returned to United Securities Limited, Plot 09, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, Lagos or to any branch of Access Bank Plc.

E-Annual Report

The electronic version of the Annual report is available at www.accessbankplc.com. Shareholders who have provided their email details to the Registrar will receive the electronic version of the Annual Report via email. Additionally, Shareholders who are interested in receiving the electron ic version of the Annual Report may request via e-mail to info@unitedsecuritieslimited.com or groupcompanysecretariat@accessbankplc.com.

Biographical Details of Directors for Re-election/Approval

Biographical details of Directors submitted for re-election or approval are contained in the Annual Report.

Website

A copy of this Notice and other information relating to the meeting can be found at http.www.accessbankplc.com/investors.

Questions from shareholders

Shareholders and other holders of the Company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts. Please send questions, comments or observations to Company Secretariat Department, Access Tower, Plot 14/15, Alaba Oniru Street, Oniru Estate, Lekki, Lagos or by e-mail to groupcompanysecretariat@accessbankplc.com not later than April 25, 2020. Questions and answers will be presented at the Annual General Meeting.

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

The Notes below provide explanation to the proposed resolutions. All the resolutions are being proposed as ordinary resolutions. This means that for each resolution to be passed, a simple majority of votes in favour of the resolution is required. Please note that if you abstain from voting you will not be counted in the calculation of the proportion of votes 'for 'or 'against' a resolution.

RESOLUTION 1: ANNUAL REPORT AND ACCOUNTS

The directors are required under Section 345 (1) of the Companies and Allied Matters Act 1990 to lay before the company in General Meeting for each financial year copies of the financial statements of the company made up to a date not exceeding nine months prior to the date of the meeting. This provides the shareholders the opportunity to ask questions on the content of the Annual Report and Financial Statements.

RESOLUTION 2: DECLARATION OF FINAL DIVIDEND

By Section 379 (1) of the Companies and Allied Matters Act 1990, the General Meeting has the power to approve or reduce the final dividend recommended by the directors but cannot increase the amount. If the 40kobo final dividend per ordinary share recommended by the Directors is approved, the final dividend net of withholding tax will be payable on April 30, 2020, to those shareholders registered on the Company's register of shareholders as at April 14, 2020.

RESOLUTIONS 3-6: RE-ELECTION/AND APPROVAL OF DIRECTORS

Your company's Articles of Association require one third of all Non-Executive Directors (rounded down) to stand for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting ('AGM'). In keeping with the requirement, Messrs. Iboroma Akpana and Adeniyi Adekoya will retire at this Annual General Meeting and being eligible for re-election will submit themselves for re-election. It is hereby confirmed that following a formal evaluation, the directors continue to demonstrate commitment to their role as Independent Non-Executive Directors.

The Board pursuant to the powers vested on it by the Articles of Association has appointed Mrs. Ifeyinwa Osime and Dr. Okey Nwuke as Independent Non-Executive Director and Non-Executive Director respectively subject to regulatory and shareholders approvals. The appointments have been approved by the Central Bank of Nigeria. As required by the Articles of Association, the appointments will be tabled before the shareholders for approval.

The Board considers all the directors standing for re-election and election as highly experienced and capable of adding value to the Board.

The biographical details of the four directors are contained in pages 118-119 of this report. The Board recommends the election/approval of the four directors to enable it maintain the needed balance of skill, knowledge and experience.

The interest of Directors standing for election and re-election in the ordinary shares of the Bank as at December 31, 2019 are as shown below.

S/N	Director's Name	Direct Holding	Indirect Holding
1	Adeniyi Adekoya	Nil	Nil
2	Iboroma Akpana	314,996	Nil
3	Ifeyinwa Osime	10,179	Nil
4	Okey Nwuke	1,739,293	Nil

RESOLUTION 7: APPROVAL OF AUDITORS' REMUNERATION

PricewaterhouseCoopers were appointed as the statutory auditor of the Bank by the ordinary resolution of shareholders passed at the 24th Annual General Meeting held on April 25, 2013. Section 361 (1) (b) of the Companies and Allied Matters Act provides that the remuneration of auditors of a company shall subject to Section 361 (1) (a) be fixed by the company in general meeting or in such manner as the company in general meeting may determine. Pursuant to this provision, the shareholders will be required to authorize the directors to fix the remuneration of the statutory auditor for the financial year ending December 31, 2020.

RESOLUTION 8: ELECTION/RE-ELECTION OF MEMBERS OF AUDIT COMMITTEE

In accordance with S.359 (5) of the Companies and Allied Matters Act, 1990, any member may nominate a shareholder for election as a member of the Shareholders Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Anual General Meeting.

Members will be required to vote at the Annual General Meeting to elect or re-elect members of the Bank's Shareholders Audit Committee.

RESOLUTION 9 – APPROVAL OF DIRECTORS' ANNUAL FEES

You company is required by law to seek the approval of the annual fees payable to the Non-Executive Directors. Shareholders will therefore be required to approve anual fees of NGN 51,875,000.00 (Fifty-One Million, Eight Hundred and Seventy-Five Thousand Naira Only) for the Non-Executive Directors for the 2020 financial year. The proposed remuneration is maintained at the 2015 level.

INFORMATION ON 10 YEARS DIVIDEND HISTORY

Dividend No.	Year Ended	Date Received	Total Dividend	Dividend per share	Total Dividend Paid as at December 31, 2019 N	Amount Unclaimed as at December 31, 2019 N
7	3/31/09	7/14/09	10,214,982,816.57	0.70	9,190,749,784.68	1,024,233,031.89
8	6/30/10	7/14/10	3,219,885,266.04	0.20	2,888,962,300.57	330,922,965.47
9	12/31/10	4/28/11	5,366,475,443.40	0.30	4,941,078,397.93	425,397,045.47
10	6/30/11	9/21/11	3,577,650,295.60	0.20	3,235,107,089.70	342,543,205.90
11	12/31/11	4/27/12	6,866,475,435.00	0.30	6,295,356,497.63	571,118,937.37
12	6/30/12	10/17/12	5,148,656,754.30	0.25	4,652,697,366.61	495,959,387.69
13	12/31/12	4/25/13	12,356,776,210.32	0.60	11,065,251,691.36	1,291,524,518.96
14	6/30/13	9/17/13	5,148,656,754.30	0.25	4,640,775,288.30	507,881,466.00
15	12/31/13	4/30/14	7,208,119,746.95	0.35	6,419,451,493.17	788,668,253.78
16	6/30/14	9/23/14	5,148,656,754.30	0.25	4,530,502,558.11	618,154,196.19
17	12/31/14	5/6/15	7,208,119,456.02	0.35	6,337,700,864.14	870,418,591.88
18	6/30/15	9/10/15	6,508,795,773.20	0.25	5,572,968,117.38	935,827,655.82
19	12/31/15	4/26/16	7,810,552,340.37	0.30	6,939,561,231.26	870,991,109.11
20	6/30/16	9/14/16	6,508,795,763.64	0.25	5,791,100,680.13	717,695,083.51
21	12/31/16	3/29/17	10,523,898,704.16	0.40	9,337,877,002.49	1,186,021,701.67
22	6/30/17	9/21/17	6,579,385,418.35	0.25	5,840,170,140.40	739,215,277.95
23	12/31/17	25/04/18	10,543,652,010.12	0.40	9,192,044,316.39	1,351,607,693.73
24	6/30/18	9/21/18	6,590,513,640.52	0.25	5,750,262,497.67	840,251,142.85
25	12/31/18	4/25/19	8,093,007,625.67	0.25	7,104,036,263.83	988,971,361.84
26	6/30/19	10/3/19	8,090,057,979.07	0.25	6,794,475,520.92	1,295,582,458.15

CAPITAL FORMATION

S/N	Timeline	Corporate Action	Number of Shares	Amount
1	11/5/1998	Public Issue for Cash	1,200,000,000	600,000,000
2	9/21/2001	Bonus	300,000,000	150,000,000
3	9/23/2001	Public Issue for Cash	1,200,000,000	600,000,000
4	3/31/2003	Bonus	300,000,000	150,000,000
5	8/30/2004	Bonus	1,000,000,000	500,000,000
6	8/31/2005	Bonus	1,158,746,000	579,373,000
7	31/09/2005	Public Issue for Cash	4,111,214,000	2,055,607,000
8	31/11/2005	Private Placement	499,358,000	249,679,000
9	12/31/2005	Share Exchange Capital & Marina Banks	4,187,003,722	2,093,501,861
10	10/31/2006	Share Reconstruction	-6,978,160,860	-3,489,080,430
11	7/31/2007	Public Issue for Cash	9,164,340,987	4,582,170,494
12	12/31/2008	IFC Loan Conversion to Equity	71,756,590	35,878,295
13	31/06/2009	Bond Conversion	47,788,360	23,894,180
14	31/06/2010	Bonus	1,626,204,679	813,102,340
15	1/23/2012	Share Exchange Intercontinental Bank	4,994,667,430	2,497,333,715
16	8/30/2015	Right Issue	6,045,052,723	3,022,526,362
17	4/1/2019	Diamond Bank Merger	6,617,253,991	3,308,626,996
			35,545,225,622	**17,772,612,811**

Affix
Current
Passport
(To be stamped by bankers)

Please write your name at the back of your passport photograph

united securities»»

E-MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar,
UNITED SECURITIES LIMITED RC 126257
9, Amodu Ojikutu Street, Off Bishop Oluwole Street,
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Kindly quote your shareholder account no in the box below

Name of Company	Shareholder Number
ACCESS BANK PLC	

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right-hand column be credited directly to my \ our bank detailed below:

Bank Verification Number (BVN)

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name | First Name | Other Names

Address (**Previous & New**)

Gender (**Male/Female**) | City | State | Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 | Mobile Telephone 2

Email Address

Signature(s)

Company Seal (If applicable)

Joint\Company's Signatories

For inquiries, please call 01-2714566-7 or send e-mail to customerscare@unitedsecuritieslimited.com

UNITED SECURITIES LIMITED

Website: www.unitedsecuritieslimited.com ; E-mail: info@unitedsecuritieslimited.com or the completed update form can also be submitted through any Access Bank Plc nearest to you.

"UNITED SECURITIES LIMITED hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically"

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SHAREHOLDER`S INFORMATION UPDATE FORM

Date (DD/MM/YYYY)

I/We wish to request that my/our details as (a) Shareholder(s) of Access Bank Plc be amended to reflect the following information:

Surname /Company Name:

Other Names (for individual Shareholder)

Present Postal Address

Previous Postal Address

E-Mail Address: -

Mobile (GSM) Phone Number

GENDER (MALE/FEMALE)

BVN

I/We confirm that all information supplied is to the best of my/our knowledge correct and hereby indemnify United Securities Limited against any loss that may arise from their adoption of the details as supplied.

Shareholder`s signature or Thumbprint

Shareholder`s signature or Thumbprint

AUTHORISED SIGNATURE & STAMP OF BANKERS

Company Seal/ Incorporation number (Corporate Shareholder)

Kindly return the duly completed form to the Registrar;
United Securities Limited RC 126257
9, Amodu Ojikutu Street, Off Bishop Oluwole Street Victoria Island, P.M.B 12753 Lagos, Nigeria.
Website: **www.unitedsecuritieslimited.com** ; E-mail: **info@unitedsecuritieslimited.com** or the completed update form can also be submitted through any Access Bank Plc nearest to you.

"UNITED SECURITIES LIMITED hereby disclaims liability or responsibility for errors/omissions/misstatements in any document transmitted electronically"

access
RC 125384

PROXY FORM

31st ANNUAL GENERAL MEETING to be held at Access Tower, Plot 14/15, Prince Alaba Oniru Street, Oniru Estate, Lekki, Lagos on Thursday, April 30, 2020 at 10:00 a.m.

"I/WE

(Name of Shareholder in block letters)

Being a member/(s) of the above named Company hereby appoint Dr. (Mrs.) Ajoritsedere Awosika or failing her Mr. Herbert Wigwe as my/our proxy to vote for me/us and on my/our behalf at the 31st Annual General Meeting of the Company to be held on Thursday, April 30, 2020 and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Signature of Shareholder

Dated this ....day of 2020

ORDINARYBUSINESS/ ORDINARY RESOLUTION	FOR	AGAINST	ABSTAIN
1. To receive the Group's Audited Financial Statements for the year ended December 31, 2019 and the Reports of the Directors, Auditors and Audit Committee thereon.			
2. To declare a final dividend.			
3. To re-elect **Mr. Iboroma Akpana** as an Independent Non-Executive Director.			
4. To re-elect **Mr. Adeniyi Adekoya** as an Independent Non-Executive Director.			
5. To elect **Mrs. Ifeyinwa Osime** who was appointed as an Independent Non- Executive Director by the Board of Directors since the last Annual General Meeting			
6. To elect **Dr. Okey Nwuke** who was appointed as a Non-Executive Director by the Board of Directors since the last Annual General Meeting.			
7. To authorise the Directors to fix the remuneration of the Auditors.			
8. To elect/re-elect members of the Audit Committee			

SPECIAL BUSINESS/ORDINARY RESOLUTION	FOR	AGAINST	ABSTAIN
9. That the Directors' fees for the financial year ending December 31, 2020 be and is hereby fixed at **NGN 51,875,000.00 (Fifty-One Million, Eight Hundred and Seventy-Five Thousand Naira Only).**			

Please indicate with an 'X' in the appropriate box how you may wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

ADMISSION CARD

ACCESS BANK PLC RC 125,384

31st Annual General Meeting to be held at Access Tower, Plot 14/15 , Prince Alaba Oniru Street, Oniru Estate, Lekki, Lagos on April 30, 2020 at 10:00 a.m.

Name and Address of Shareholder:

....

....

....

Number of Shares Held: ....

IMPORTANT NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is attached to this Notice and it is valid for the purpose of the meeting.
2. Shareholders should note that the Corporate Affairs Commission has in view of the Covid-19 pandemic and following the Government's restriction on public gathering approved that attendance to the Meeting shall only be by proxy to ensure public health and safety.
3. Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commissions' Guideline to the office of Group Company Secretary, Access Bank Plc , Plot 14/15 , Prince Alaba Oniru Street, Oniru Estate, Lekki, Lagos and/or groupcompanysecretariat@accessbankplc.com not later than April 24, 2020 to enable the Bank stamp the proxy forms and lodge same with the Registrars not later than 48 hours prior to the time of the meeting.
4. If proxy form is executed by a company, it should be sealed under its common seal or the hand and seal of its attorney.

INVESTORS' ENQUIRIES AND COMPLAINTS MANAGEMENT POLICY

1. SCOPE AND OBJECTIVES OF THE POLICY

This Investors' Enquiries and Complaints Management Policy ('the Policy') sets out the manner and circumstances in which the shareholders of Access Bank Plc ('the Bank or Access Bank') may contact the Bank regarding their shareholding interest in the Bank and how the Bank will address the shareholders' concerns. It provides guidance to the individuals within the Bank that are responsible for handling and resolving shareholders' complaints or enquiries. The Policy provides for efficient, fair and timely management and resolution of shareholders' enquiries and complaints.

The Policy is made pursuant to the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market and the implementing Circular Number NSE/LARD/CIR6/15/04/22 issued by the Nigerian Stock Exchange.

The policy does not cover complaints and enquiries by the Bank's customers, suppliers or other stakeholders or complaints falling outside the purview of the Securities and Exchange Commission ('SEC'). The Bank's Registrars, United Securities Limited has its own complaints handling procedures and policies, which are not covered by this policy. The contact details of the Registrars are contained in Article 9 of this Policy.

2. STATEMENT OF COMMITMENT

Access Bank is committed to providing high standards of services to shareholders, including:

i. Efficient and easy access to shareholders' information;

ii. Enabling shareholders to have their matters acknowledged and addressed; and

iii. Providing the means for shareholders' enquiries and complaints to be appropriately handled.

3. DEFINITIONS

Unless otherwise described in the Policy, the following terms and definitions apply throughout this policy:

3.1 'Access Bank Plc' means the company which has its ordinary shares listed on the Nigerian Stock Exchange under ISIN Number NGA ACCESS 0005 and further identified with Legal Entity Identifier Number 029200328C3N9Y12D660.

3.2 'Shareholder' means the registered owner of ordinary shares in Access Bank

3.3 'Competent Authority' means the Nigerian Stock Exchange.

4. ENQUIRIES AND COMPLAINTS PROCEDURES

There are a number of ways shareholders can access relevant information about their shareholding and make related enquiries and complaints.

4.1 Visiting the Bank's Website

Shareholders may visit the Bank's website at www.accessbankplc.com for detailed information to assist them in managing their investments. Information available on the website include but not limited to calendar of key dates, useful shareholder forms, frequently asked questions and Annual General Meeting Notices.

4.2 Contact our Registrar

Shareholders who wish to make an enquiry or complaint about their shareholding should first of all contact the Registrar, United Securities Limited (see the contact details in Article 9 of this policy). The Registrar manages and updates all the registered information relating to shareholdings, including shareholder's name(s); payment of dividend; distribution of Annual Report and company's meeting notices; distribution of share certificates and e-allotment; change of shareholder's address, mandate and name as well as filing of caution on shares and e-dividend mandate.

4.3 The Web Registry Platform

This is a web based platform provided by the Bank's Registrar to the Bank's shareholders. The platform affords shareholders the opportunity to enjoy the following services:

i. Ability to generate, print or export their Statement of Shareholding.

ii. Access to view certificate details, including dividend and other transaction history.

iii. Ability to initiate certificate dematerialisation request and follow up on the status of the request independent of the stock broker prior to the broker submitting the physical documentation.

iv. On-line change of address without having to write the Registrars.

How to Access the Web Registry Service

i. Download form from the Registrar's website at www.unitedsecuritieslimited.com

ii. Complete form and return to the Registrar

iii. Pay an Annual Subscription fee of N1,000

iv. Receive log-on detail and password

v. Access portal on the Registrar's website.

The Web Registry provides a quick, convenient and secure way for conducting standard shareholders' enquiries and transactions.

4.4. **Investor Relations Desk at the Bank's Branches** Shareholders can visit any of the Bank's branches nationwide and submit their completed forms or complaint letters at the branch which are transmitted to the Investor Relations Unit for resolution or referenced to the Registrar as the case may be.

5 ENQUIRIES AND COMPLIANTS TO THE BANK'S INVESTOR RELATIONS UNIT

Access Bank is committed to responding to shareholders' enquiries and complaints fairly and promptly, whether by email, telephone or post. The following actions will be taken upon receipt of an enquiry or complaint:

5.1 Complaints received by e-mail shall be acknowledged by e-mail within two (2) working days. Where complaints are received by post, the Bank shall respond within five (5) working days of the receipt of the complaint. The Bank will respond using the same or similar medium that was used for the initial enquiry unless otherwise notified or agreed with the shareholder. The acknowledgement letter will typically contain the following information.

a) Details of how the complainant will be updated on the complaint status.

b) Name, designation and direct contact of the officer dealing with the complaint.

c) Complaint management and resolution procedure and requirements

d) Anticipated closure time.

5. 2 The Bank shall endeavour to resolve all complaints received by it within ten (10) working days (upon the shareholder meeting all conditions precedent) and notify the competent authority within two (2) days of the resolution.

5.3 Where the complaint is not resolved within the given time frame, the complainant may refer the complain to the Competent Authority within two (2) working days enclosing a summary of events leading to the referral and copies of relevant supporting documents.

6. RECORDING OF ENQUIRIES AND COMPLAINTS AND REPORTING

The Bank shall maintain an Electronic Register for Complaints and Enquiries. The register shall contain the following information:

i. The date the enquiry or complaint was received;

ii. Name of the shareholder;

iii. Telephone number, e-mail address or other contact details;

iv. Nature of enquiry or complaint;

v. Details of enquiry

vi. Whether there is any cost associated;

vii. Action taken;

viii. Copy of all correspondence sent to the shareholder

ix. Remarks and Comments.

The Company Secretary shall compile and file electronic copies of the report to the Nigerian Stock Exchange on a quarterly basis at ir@nse.com.ng or any other e-mail address as may be advised by the Nigerian Stock Exchange.

7. LIAISON WITH THE BANK'S REGISTRAR

In investigating a shareholder's enquiry, complaint or feedback, the Bank may liaise with the Registrar. If necessary, the Bank's engagement with the Registrars will include:

i. Determining the facts;

ii. Determining what action has been taken by the Registrar (if any); and

iii. Coordinating a response with the assistance of the Registrar.

8. CONDITIONS FOR CLOSURE

The Bank shall consider a complaint closed in any of the following situations.

i. When the Bank has fully met the shareholder's request.

ii. Where the shareholder has accepted the Bank's response.

iii. Where the shareholder has not responded to the Bank within 4 weeks of receiving the letter of closure.

iv. Where the Bank's Company Secretary or the General Counsel has certified that the Bank has met its contractual, statutory or regulatory obligation.

v. Where the shareholder reverts with a fresh complaint after a letter of closure has been sent.

9. REGISTRAR'S CONTACT DETAILS

The Bank's Registrar, United Securities Limited may be contacted through the following means

Office Address

Plot 09, Amodu Ojikutu Street, Off Saka Tinubu Street. Victoria Island, Lagos, Nigeria

Telephone: +234 (1) 271 4566, +234 (1) 271 4567

E-mail: info@unitedsecuritieslimited.com

10. THE BANK'S INVESTOR RELATIONS UNIT

Shareholders seeking more information about the Bank may contact the Investor Relations Unit at:

Access Towers, 14/15, Alaba Oniru,

Victoria Island, Lagos

Telephone: +234(1) 2804130

Email: investorrelations@accessbankplc.com

11 PUBLICATION

This policy is available on the Bank's website at www.accessbankplc.com

12. RESOURCES

The Bank shall provide sufficient resources so that shareholders enquiries and complaints may be dealt with adequately and in an efficient and timely manner.

13. CHARGES AND FEES

Wherever possible and subject to statutory requirement, Access Bank will not charge shareholders for making enquiries , giving feedback, providing a response or for any aspect in the course of resolving a shareholder's matter.

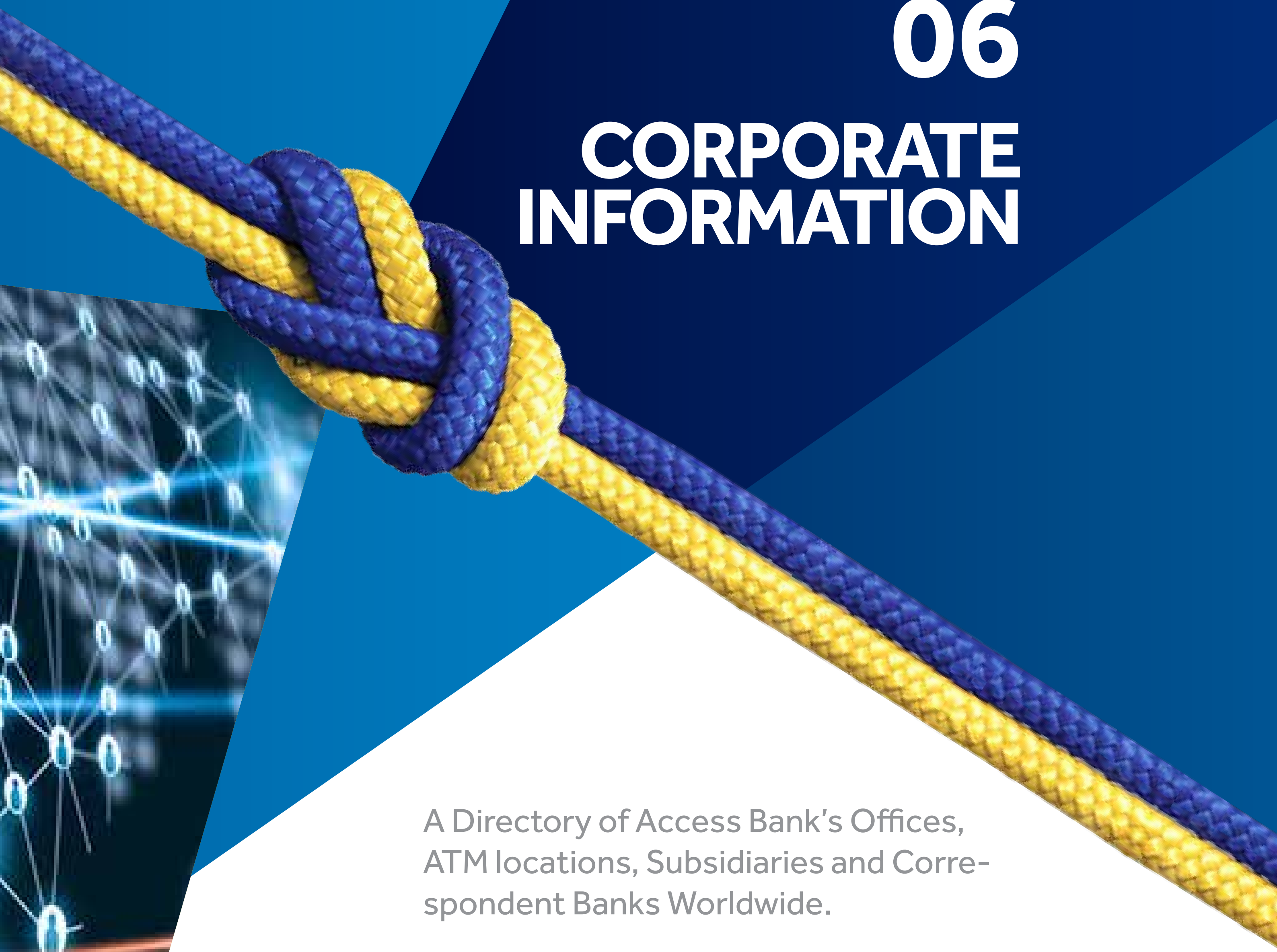
The Registrar may however reserve the right to charge the shareholders for value adding services.

14. REVIEW

The Bank will regularly review this policy and the procedure concerning shareholders' enquiries and complaint. Any changes or subsequent versions of this policy shall be published in the Bank's website at www.accessbankplc.com.

06

CORPORATE INFORMATION



A Directory of Access Bank's Offices, ATM locations, Subsidiaries and Correspondent Banks Worldwide.

BRANCH NETWORK

STATE	NUMBER OF BRANCHES
ABIA	15
ADAMAWA	3
AKWA IBOM	10
ANAMBRA	27
BAUCHI	2
BAYELSA	3
BENUE	9
BORNO	5
CROSS RIVERS	6
DELTA	13
EBONYI	4
EDO	18
EKITI	5
ENUGU	19
FCT	43
GOMBE	6
IMO	16
JIGAWA	3
KADUNA	17
KANO	14
KATSINA	8
KEBBI	2
KOGI	5
KWARA	6
LAGOS	186
NASSARAWA	8
NIGER	7
OGUN	22
ONDO	9
OSUN	11
OYO	27
PLATEAU	9
RIVERS	31
SOKOTO	6
TARABA	2
YOBE	2
ZAMFARA	4
TOTAL	**583**

Full details are provided at
http://www.accessbankplc.com/contact-us/Branch-Network-Details.aspx

OFFSITE ATM
LOCATIONS DETAILS

STATE	NUMBER OF LOCATIONS
ABIA	10
ABUJA	54
ADAMAWA	11
AKW IBOM	14
ANAMBRA	27
BAUCHI	5
BAYELSA	8
BENUE	10
BORNO	12
CROSS RIVERS	11
DELTA	13
EBONYI	3
EDO	27
EKITI	6
ENUGU	20
GOMBE	8
IMO	28
JIGAWA	4
KADUNA	27
KANO	21
KATSINA	3
KEBBI	4
KOGI	11
KWARA	16
LAGOS	265
NASARAWA	6
NIGER	14
OGUN	49
ONDO	6
OSUN	32
OYO	44
PLATEAU	14
RIVERS	13
SOKOTO	9
TARABA	6
ZAMFARA	2
TOTAL	**813**

Full details are provided at
http://www.accessbankplc.com/contact-us/OffsiteATM-Location-Details.aspx

CORRESPONDENT BANKS

S/N	BANK	ADDRESS
1	ABSA Bank	7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001
2	Bank of Beirut	17A Curzon St, Mayfair, London W1J 5HS, UK
3	Banque Libano	Liberty Plaza building, 5, Rome street, Hamra Beirut
4	British Arab Commercial Bank	8-10 Mansion House Place, London, EC4N 8BJ
5	Byblos Bank, London	Berkeley Square House, Berkeley Square, Mayfair, London W1J 6BS, UK
6	CitiBank London	Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, UK
7	CommerzBank AG	Commerzbank AG, Kaiserplatz 60261 Frankfurt am Main, Frankfurt
8	Credit Agricole	91-93 Blvd. Pasteur, Paris, 75015
9	Credit Suisse AG	Paradeplatz 8, 8070 Zurich
10	Danske	Holmens Kanal 2-12, DK-1092 Copenhagen K
11	Deutsche Bank	Taunusanlage 12, D-60325 Frankfurt am Main
12	FBN UK	28, Finsbury Circus London EC2M 7DT, UK
13	First Abu Dhabi Bank	FAB Tower 1 Khalifa Street, Abu Dhabi
14	FirstRand Bank	Sandown, Sandton, 2031, South Africa
15	IFC	2121 Pennsylvania Av. NW Washington DC 20433, USA
16	ING	Avenue Marnix 24 Brussels, 1000
17	J.P. Morgan	25 Bank street, Canary Wharf London
18	KBC	Havenlaan 2, B - 1080 Brussels, Belgium
19	Mashreq Bank	Ground Flr, Omar Ibn Al Khatab Rd Next to Al Ghurair Center - Abu Dhabi - United Arab
20	Nordea	Satamaradankatu 5 Helsinki, FI-00020 Nordea
21	ODDO BHF	Bockenheimer Landstrasse 10, Frankfurt am Main, 60323
22	SMBC	99 Queen Victoria StreetLondon EC3V 4EH, UK
23	Societe Generale	29, Boulevard Haussmann 75009 Paris
24	Standard Bank	Standard Bank Centre, 5 Simmonds Street, Johannesburg 2001
25	Standard Chartered	1 Basinghall Ave, London EC2V 5DD, UK
26	SVENSKA HANDELSBANK	Kungsträdgårdsgatan 2, SE-106 70 Stockholm
27	The Access Bank UK	4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire CW9 7UT
28	The Commonwealth Bank UK	36-38 Leadenhall Street, London EC3A1AT, United Kingdom
29	UBA New York	1 Rockefeller Plaza, New York, NY 10020, USA
30	UBS	Bärengasse 16 8001 Zurich
31	UniCredit	Piazza Cordusio 20123 Milano

AGENCY BANKING NETWORK

SUMMARY OF THE BANK'S AGENCY BANKING NETWORK AS AT DECEMBER 31, 2019

Access Bank, in sync with the Financial Inclusion Strategy of the Federal Republic of Nigeria expanded its Agency Banking Business with a growth of 170%. It onboarded, trained and equipped additional 11,709 agents across all the states in the country. These agents were able to provide financial services to the last mile, especially in the rural and semi-urban communities. These value-added services included but not limited to cash-in (deposit mobilisation), cash-out (cash withdrawals), funds transfers, bills payments, airtime purchases amongst others. They also helped immensely in the Bio-metric Verification Number (BVN) enrolment drive led by the Nigeria Inter-Bank Settlement System (NIBSS). These agents' role in reaching millions of the un-banked, under-banked and the financially excluded also resulted in opening of thousands of accounts for the banking industry.

Our relationship with the Alhaji Aliko Dangote Foundation in 2019 resulted in reaching 23,000 vulnerable women that received the Foundation's N10,000 micro grants each in all the 23 Local Government Areas of Sokoto State. But for the 2019 elections, our partnership would have resulted in reaching more women.

Count of agents as at December 2019		
Geo-Political Zone	**2019**	**2018**
FEDERAL CAPITAL TERRITORY	1,874	672
NORTH-CENTRAL	2,734	668
NORTH-EAST	1,316	551
NORTH-WEST	2,192	635
SOUTH-EAST	1,325	323
SOUTH-SOUTH	2,956	589
SOUTH-WEST	6,348	2,320
Total	**18,745**	**5,758**

Full details are provided at http:
//www.accessbankplc.com/contact-us/Agent-Banking-Details.aspx

NOTE

NOTE


ccess

OUR SERVICE MANTRA:

Exceptional Service
Our DNA...

Customers
Our Priority...

Corporate Head Office:
Access Towers, 14/15. Prince Alaba Oniru Road,
Victoria Island, Lagos, Nigeria.
www.accessbankplc.com