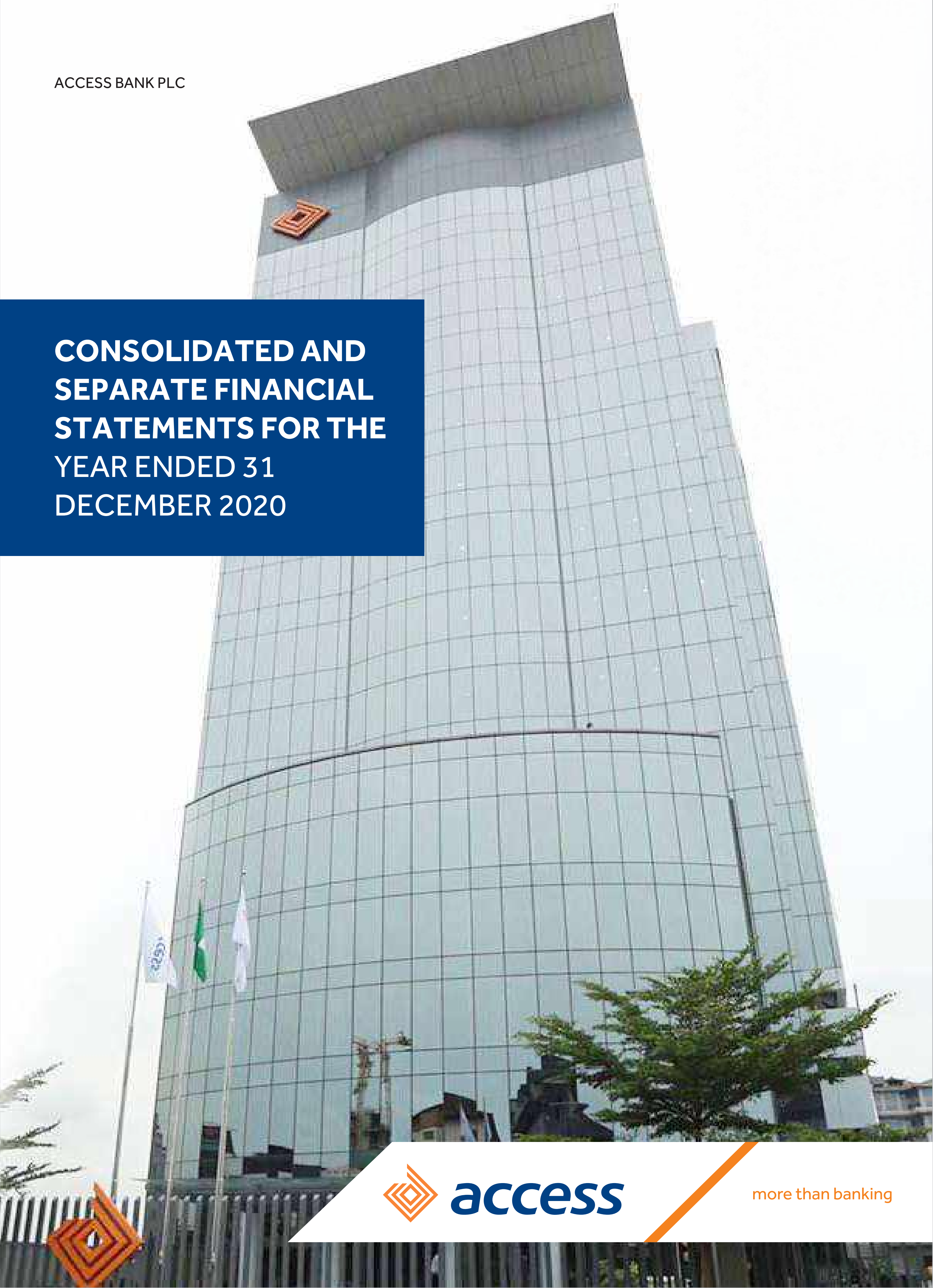
ACCESS BANK PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020



access

more than banking

ACCESS BANK PLC
Index to the consolidated and separate financial statements
For the year 31 December 2020

Corporate information

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

Directors

*Mosunmola Tamramat Belo-Olusoga, FCA	Chairman
**Ajoritsedere Josephine Awosika, MFR	Chairman
Herbert Onyewumbu Wigwe, FCA	Group Managing Director/Chief Executive Officer
Roosevelt Michael Ogbonna,FCA,CFA	Group Deputy Managing Director
Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Paul Usoro, SAN	Non-Executive Director
***Abba Mamman Tor Habib	Non-Executive Director
Okey Vitalis Nwuke,FCA	Non-Executive Director
*******Omosalewa Temidayo Fajobi	Non-Executive Director
****Ernest Chukwuka Ndukwe, OFR	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
*****Hassan Tanimu Musa Usman,FCA	Independent Non-Executive Director
Victor Okenyenbunor Etuokwu, HCIB	Executive Director
Gregory Ovie Jobome, HCIB	Executive Director
Hadiza Ambursa	Executive Director
Adeolu Bajomo	Executive Director
Chizoma Joy Okoli, HCIB	Executive Director
******Oluseyi Kolawole Kumapayi,FCA	Executive Director

* Retired effective January 8, 2020
** Appointed effective January 8, 2020
*** Retired effective March 30, 2020
**** Resigned effective March 31, 2020
*****Appointed effective August 27, 2020
******Appointed effective November 10, 2020
*******Appointed effective November 13, 2020

Company Secretary
Mr Sunday Ekwochi

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

Telephone: +234 (01) 4619264 - 9
+234 (01) 2773399-99

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

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

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

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

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

Investor Relations

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

For further information please contact:

Access Bank Plc.

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

Directors' Report

For the year ended 31 December, 2020

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 2020.

Legal form and principal activities

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

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

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

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

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

Operating results

In thousands of Naira	Group December 2020	*Restated Group December 2019	Bank December 2020	*Restated Bank December 2019
Gross earnings	**764,717,440**	**666,753,599**	**634,863,768**	**576,347,841**
Profit before income tax	125,922,123	111,925,517	90,195,877	79,213,716
Income tax	(19,912,433)	(17,868,920)	(10,156,549)	(9,097,722)
Profit for the year	106,009,690	94,056,597	80,039,328	70,115,994
Other comprehensive income/(loss)	62,716,852	1,809,662	58,477,698	6,815,861
Total comprehensive income for the year	168,726,542	95,866,259	138,517,026	76,931,855
Non-controlling interest	(1,190,108)	(658,474)	-	-
Profit attributable to equity holders of the bank	169,916,650	96,524,733	138,517,026	76,931,855

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Earnings per share - Basic (k)	301	279	225	207
Earnings per share - Diluted (k)	295	275	225	207

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Total equity	751,041,242	606,739,833	653,895,661	539,488,039
Total impaired loans and advances	161,242,814	188,452,451	115,823,315	172,546,009
Total impaired loans and advances to gross risk assets (%)	4.29%	5.79%	3.65%	6.10%

Proposed dividend

The Board of Director has recommended a Final Dividend of 55 Kobo (FY2019: 40Kobo) 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' Report

For the year ended 31 December, 2020

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 2020.

Legal form and principal activities

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

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

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

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

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

Operating results

In thousands of Naira	**Group December 2020**	***Restated Group December 2019**	**Bank December 2020**	***Restated Bank December 2019**
Gross earnings	**764,717,442**	**666,753,601**	**634,863,769**	**576,347,840**
Profit before income tax	125,922,127	111,925,519	90,195,880	79,213,713
Income tax	(19,912,433)	(17,868,920)	(10,156,549)	(9,097,722)
Profit for the year	106,009,693	94,056,599	80,039,331	70,115,991
Other comprehensive income/(loss)	62,716,852	1,809,662	58,477,698	6,815,861
Total comprehensive income for the year	168,726,545	95,866,261	138,517,029	76,931,852
Non-controlling interest	(1,190,108)	(658,474)	-	-
Profit attributable to equity holders of the bank	169,916,653	96,524,735	138,517,029	76,931,852

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Earnings per share - Basic (k)	301	279	225	207
Earnings per share - Diluted (k)	295	275	225	207

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Total equity	751,041,241	606,739,833	653,895,664	539,488,038
Total impaired loans and advances	161,242,814	188,452,451	115,823,315	172,546,009
Total impaired loans and advances to gross risk assets (%)	4.29%	5.79%	3.65%	6.10%

Proposed dividend

The Board of Director has recommended a Final Dividend of 55 Kobo (FY2019: 40Kobo) 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.

1,000,001 - 5,000,000	990	0.11%	1,993,177,862	6%
5,000,001 - 10,000,000	140	0.02%	996,430,270	3%
10,000,001 - 50,000,000	169	0.02%	3,851,517,805	11%
50,000,001 - 100,000,000	34	0.00%	2,395,557,150	7%
100,000,001 - 500,000,000	34	0.00%	6,563,248,187	18%
500,000,001 - 1,000,000,000	7	0.00%	4,450,933,103	13%
1,000,000,001 - 10,000,000,000	5	0.00%	6,722,347,582	19%
	919,620	**99.84%**	**33,078,227,727**	**93.06%**
Foreign Shareholders				
1 - 1,000	346	0.04%	109,181	0.00%
1,001 - 5,000	343	0.04%	912,710	0.00%
5001 - 10,000	164	0.02%	1,219,454	0.00%
10,001 - 50,000	368	0.04%	8,582,886	0.02%
50,001- 100,000	63	0.01%	4,531,943	0.01%
100,001 - 500,000	43	0.00%	7,931,535	0.02%
500,001 - 1,000,000	8	0.00%	5,539,217	0.02%
1,000,001 - 5,000,000	8	0.00%	18,793,554	0.05%
5,000,001 - 10,000,000	1	0.00%	7,850,798	0.02%
10,000,001 - 50,000,000	7	0.00%	126,886,371	0.36%
50,000,001 - 100,000,000	3	0.00%	242,573,141	0.68%
100,000,001 - 500,000,000	2	0.00%	296,680,834	0.83%
500,000,001 - 1,000,000,000	1	0.00%	564,553,083	1.59%
1,000,000,001 - 10,000,000,000	1	0.00%	1,180,833,188	3.32%
	1,358	**0.15%**	**2,466,997,895**	**6.94%**
Total	**920,978**	**100.00%**	**35,545,225,622**	**100.00%**

Shareholding Analysis as at 31 December 2020

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

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

Range	December 2019 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%	1,180,833,228	3.32%
	1,244	**0.14%**	**2,345,653,426**	**6.60%**
Total	**921,103**	**100%**	**35,545,225,662**	**100%**

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%**

Substantial interest in shares

According to the register of members at 31 December 2020, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

	December 2020 Number of shares held	% of shareholding	December 2019 Number of shares held	% of shareholding
Stanbic Nominees Nigeria Limited*	4,259,423,232	11.98%	5,276,579,505	14.84%

*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 N2,603,664,782.18 (December 2019: N363,911,848) during the year, as listed below:

S/N	Beneficiaries	Purpose	Amount
1	COVID 19 Relief Fund	Contribution towards the COVID 19 Relief Fund	1,000,000,000
2	Contribution to states	Contribution towards the fight against Covid 19 including supplies for the Isolation Center in Rivers	778,965,072
3	Arise Play Ltd	Sponsorship of the Arise Global Virtual Commemoration	161,000,000
4	Ogun State Security Trust Fund (OGSTF)	Supporting the Ogun State Security Trust Fund	100,000,000
5	Maraban School	Donation of funds towards the Maraban School building project	77,100,000
6	Olusegun Obasanjo Presidential Library	Contribution towards digitization of the Olusegun Obasanjo Presidential Library	50,000,000
7	CSR - Lagos State	Support the Establishment of the Fashion Shared Facility	50,000,000
8	Art X Lagos	Sponsorship of 2020 Art X Lagos Exhibition	50,000,000
9	Thisday Newspaper Ltd	Sponsorship of Nigeria 60 coffee book and documentary of 60 Nigerians who shaped a generation	50,000,000
10	Central Bank of Nigeria (CBN)	Sponsorship of the infrastructure summit held at CBN office	41,462,500
11	The City of Knowledge Academy (CKA)	Sponsorship of 12 Students at The City of Knowledge Academy	38,580,000
12	Port Harcourt Polo Club	Sponsorship of the 2021 Polo Tournament	20,000,000
13	Central Bank of Nigeria (CBN)	Contribution towards the financial literacy and public enlightment awareness campaign	18,779,580
14	NYSC Skills Acquisition & Enterpreneurship Development (SAED)	NYSC-SAED Lion's Den Initiative	18,150,000
15	Ovie Brume Foundation	Support for the Ovie Brume Foundation	15,000,000
16	Movement Against Rape and Sexual Violence (MA	Contribution towards the Movement Against Rape and Sexual Violence Programme	10,000,000
17	Lagos Business School (LBS)	Sponsorship of the LBS Family Business Masterclass	10,000,000
18	Nigerian Business Coalition Against AIDS (NIBUCAA) & Hacey Health	Supporting NIBUCAA and Hacey Health to Commemorate the 2020 World AIDS Day	10,000,000

19	Chartered Institute of Bankers of Nigeria (CIBN)	Supporting the 13th Annual Banking and Finance Conference.	10,000,000
20	Nigeria Police Force	Contribution towards the remodelling of FCID Police force Head Quater Abuja	4,674,334
21	Xploit Consult	Support Xploit Consulting Women and Girl's Participation in Mainstream Development Program to commemorate the 2020 International Women's Day (IWD)	4,650,000
22	Hacey Health Initiative	Hacey health - Community Health Care Provider Empowement amid Covid19	4,500,000
23	Air France	Sponsor distribution of 10,000 units of face masks to passengers of Air france	4,000,000
24	Kidney Foundation for Africa (KFA)	Commemorate the World Kidney Day by supporting KFA International Conference themed "Chronic Kidney disease - Stop the Epidemic in Africa"	4,000,000
25	Nirvana Initiative	Supporting the 2020 Nirvana Initiative Program to commemorate the World Tuberculosis Day	4,000,000
26	GBC Health & Hacey Health	Supporting GBC Health and Hacey Health for the 2020 World Malaria Day Program	4,000,000
27	Childhood Advancement Response & Empowerment (CARE) Initiative	Support CARE Initiative Street Covid 19 Response Program	4,000,000
28	Xploit Consulting Limited	Support for the Vocation Skills Acquisition Initiative (VSAI) program	3,500,000
29	Xploit Consulting Limited	Supporting the Agribusiness Livelihoods Improvement Program	3,500,000
30	Glow Initiative for Economic Empowerment (GIE	Supporting the Commemoration of the 2020 World Wildlife Day (WWLD)	3,500,000
31	Nirvana Initiative	Support Nirvana Initiative Covid 19 Warrior Kit Intervention in the area of Food Supplies	3,500,000
32	Akwa Ibom State	Support the supply of Scrubs amidst the Covid 19 Pandemic	3,000,000
33	Xploit Consult	Supporting Xploit Consult in providing Succour for Community of Vulnerable People in Undeserved C	3,000,000
34	Estrategico Consult	Supporting the Arts of Peace and Good Governance Project	3,000,000
35	Childhood Advancement Response & Empowerment (CARE) Initiative	Supporting the Education Without Abuse program in Commemoration of Universal Children's Day	3,000,000
36	Chartered Institute of Bankers of Nigeria (CIBN)	Contribution towards the Financial Literacy Campaign by Banker's Committee	2,399,096
37	Hacey Health Initiative	Supporting Hacey Health Initiative for the End Female Genital Mutilation (FGM) Program	2,000,000
38	SMEFunds	Contribution to SME Funds for the Family Clean Cooking Support program (FCCSP)	2,000,000
39	Project Enable Africa	Supporting Digital Skill Empowerment for Caregivers and mothers of special needs children in commemoration of the 2020 Worldskills day	2,000,000
40	Childhood Advancement Response & Empowerment (CARE) Initiative	Commemorate the International Literacy Day by supporting the Capacity Building of Literacy Educato	2,000,000
41	Hacey Health Initiative	Contribution towards the 2020 International Day of the Girl Child (IDGC) Program	2,000,000
42	Project Enable Africa	Support for the Commemoration of the 2020 United Nations International Day of Persons with Disabil	2,000,000
43	The Ending Neglected Diseases (END) Fund	Supporting The END Fund towards Improving Public Health, Education and Economic Growth Outco	2,000,000
44	Glow Initiative for Economic Empowerment (GIE	Contribution towards the implementation of the Soil Conservation Education Program for Sustainable	2,000,000
45	Nirvana Initiative	Support for High Impact National Sickle Cell Program	2,000,000
46	Hacey Health Initiative	Supporting the 16Days of Activism against Gender Based Violence	2,000,000
47	Centre for Youth Studies (CYS)	Sponsor the scholarship for Special Needs Students	1,650,000
48	Lorem Excellentiam	Supporting the commemoration of the 2020 Global Money Week through the support of 1,000 financial literacy activity books for children	1,290,000
49	Centre for Youth Studies (CYS)	Supporting CYS Program for Persons Living with Disabilities	1,000,000
50	Estrategico and Stanforte Edge	Support for the Persons Living with Disabilities (PWD) Covid 19 Campaign	1,000,000
51	Centre for Youth Studies (CYS)	Supporting CYS Covid 19 Relief Program for Correctional Centres	1,000,000
52	Glow Initiative for Economic Empowerment (GIE	Supporting Glow Initiative for Rural Women Coronavirus Awareness Initiative	1,000,000
53	PSRG and Richardson Oil and Gas Limited	Support the Process Safety and Reliability Group (PSRG) - Richardson HSSE Forum	1,000,000
54	CSR in Action	Support the Training of Civil Society Organisations in the CSO Professionalism and Effectiveness Thera	1,000,000
55	International Federation of Compliance Associati	Sponsorship of International Federation of Compliance Associations (IFCA) Conference	964,200
56	Golden Ladies Women Association	Support Golden Ladies Women Association for the production of 500 Facial Masks amidst COVID -19	500,000
57	Chartered Institute of Taxation of Nigeria (CITN)	Support for the CITN 22nd Annual Tax Conference	500,000
58	Women in Marketing and Communications Conference/Awards	Supporting the 2020 Women in Marketing and Communications Conference/Awards WIMCA Confere	500,000
59	Care Organisation Public Enlightenment (COPE)	Support for COPE Foundation Breast Cancer	500,000
60	The Roses Ministry	Support the Roses Ministry 2020 Widows Day of Joy and Medicals for Women Program	500,000
			2,603,664,782

Property and equipment

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

Human resources

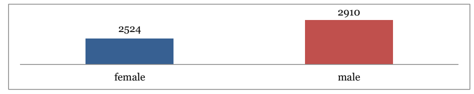
(i) Report on diversity in employment

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

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

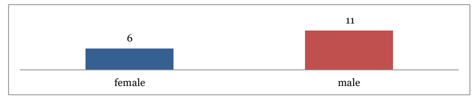
(a) Composition of employees by gender

Total number of female employees	2,524
Total number of male employees	2,910



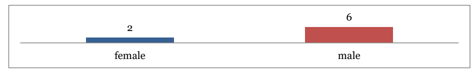
(b) Board Composition By Gender

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



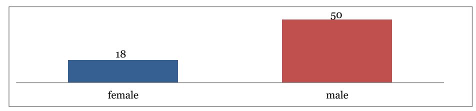
(c) Top Management (Executive Director To CEO) Composition By Gender

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



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

Total number of female in Top Management position	18
Total number of men in Top Management position	50



(ii) Employment of disabled persons

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

(iii) Health, safety and welfare of employees

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

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

(iv) Employee involvement and training

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

(v) Statement of commitment to maintain positive work environment

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

Credit Ratings

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

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

Long Term Local Credit Ratings

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

Long Term Counterparty Credit Ratings

	Long Term	
Standard & Poor's	B-	Oct-20
Fitch Ratings	B	May-20
Moody's	B2	Dec-20

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

Audit committee

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

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

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

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

BY ORDER OF THE BOARD

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

Sunday Ekwochi
Company Secretary
FRC/2013/NBA/00000005528

Description	December 31, 2020		December 31, 2019	
	Units	Percentage (In relation to Issued Share Capital)	Units	Percentage (In relation to Issued Share Capital)
Issued Share Capital	35,545,225,662	100.00%	35,545,225,662	100.00%
Details of Substantial Shareholdings (5% and above)				
Name(s) of Shareholders				
Stanbic Nominees Limited	*4,259,423,232*	*11.98%*	*5,276,579,505*	*14.84%*
Total Substantial Shareholdings	**4,259,423,232**	**11.98%**	**5,276,579,505**	**14.84%**
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
[Name(s) of Directors]				
*M. Belo-Olusoga**	4,354,838	0.01%	4,354,838	0.01%
H. O. Wigwe	1,517,850,729	4.27%	1,441,522,910	4.06%
R. C. Ogbonna	39,209,328	0.11%	31,325,167	0.09%
A. O. Ogunmefun	2,088,008	0.01%	2,075,928	0.01%
V.O. Etuokwu	18,836,941	0.05%	16,851,125	0.05%
P. Usoro	1,209,634	0.00%	1,209,634	0.00%
*E. Ndukwe***	4,740,630	0.01%	4,740,630	0.01%
G. Jobome	12,862,963	0.04%	10,168,772	0.03%
I. T Akpana	314,996	0.00%	314,996	0.00%
H. Ambursa	12,910,471	0.04%	10,636,094	0.03%
A. Bajomo	477,957	0.00%	477,957	0.00%
C. Okoli	1,434,419	0.00%	656,322	0.00%
O. Nwuke	1,739,293	0.00%	1,739,293	0.00%
I. Osime	10,179	0.00%	10,179	0.00%
*O. Kumapayi****	24,014,208	0.07%	-	0.00%
Total Directors' Shareholdings	**1,642,054,594**	**4.62%**	**1,526,083,845**	**4.29%**
Details of Other Influential Shareholdings, if any (E.g Government, Promoters)				
[Name(s) of Entities/Government]				
Restricted Share Performance Plan (RSPP)	614,553,629	1.73%	492,053,323	1.38%
Ministry of Finance Incorporated	64,936,892	0.18%	54,890,258	0.15%
Bauchi Local Government Council	2,204,991	0.01%	2,204,991	0.01%
Abia State Government Council	2,143,241	0.01%	2,143,241	0.01%
Toro Local Government Council	1,976,888	0.01%	1,976,888	0.01%
Total of Other Influential Shareholdings	**685,815,641**	**1.93%**	**553,268,701**	**1.56%**
Free Float in Unit and Percentage [Issued Share Capital (%) - (Total Substantial Shareholdings (%) + Total Directors' Shareholdings (%) + Total of Other Influential Shareholdings (%))]	28,957,932,196	81.47%	28,189,293,612	79.31%
Share Price	8.45		10.00	
Free Float in Value [Free Float Unit x Share Price]		**244,694,527,051.98**		**281,892,936,115.00**

* Retired effective January 8, 2020
** Resigned effective March 31, 2020
***Appointed effective November 10, 2020

CUSTOMER COMPLAINTS AND FEEDBACK

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

Complaints Channels

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

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

Complaints Handling

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

Resolve or Refer command Centre

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

Complaints Tracking and Reporting

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

ACCESS BANK PLC CUSTOMER'S COMPLAINTS FOR THE YEAR ENDED 31 DECEMBER 2020

	NAIRA						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (NAIRA)**		**AMOUNT REFUNDED**	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
1	Pending complaints B/F	90,918	9,277	4,113,395,469	2,782,204,606	-	-
2	Received Complaints	1,738,036	1,492,080	56,692,746,754	453,225,455,706	-	-
3	Resolved complaints	1,608,050	1,410,439	414,976,696	451,894,264,843	3,250,205,616	3,954,787,501
4	Unresolved Complaints escalated to CBN for intervention	-		-	-	-	-
5	Unresolved complaints pending with the bank C/F	220,904	90,918	60,391,165,527	4,113,395,469	-	-

	USD						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (USD)**		**AMOUNT REFUNDED (USD)**	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
1	Pending complaints B/F	43	39	82,513,727	10,801,210	-	-
2	Received Complaints	6385	10,143	44,938,365	2,586,120,957	-	-
3	Resolved complaints	6040	10,139	588,602	2,514,408,440	433,733	3,239,116
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	388	43	126,863,490	82,513,727	-	-

	GBP						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (GBP)**		**AMOUNT REFUNDED (GBP)**	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
1	Pending complaints B/F	5	2	118,104	60,308		-
2	Received Complaints	230	233	445,653	10,212,292	-	-
3	Resolved complaints	207	230	-	10,154,497	-	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	28	5	563,757	118,104	-	-

	EUR						
S/N	**DESCRIPTION**	**NUMBER**		**AMOUNT CLAIMED (EUR)**		**AMOUNT REFUNDED (EUR)**	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
1	Pending complaints B/F	4	2	8,837	14,109	-	-
2	Received Complaints	336	481	771,010	5,092,486	-	-
3	Resolved complaints	324	479	-	5,097,758	-	-

4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	16	4	779,847	8,837	-	-

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 2020			**December 2019**		
S/N	**Category**	**Frequency**	**Actual Loss**	**% Loss**	**Frequency**	**Actual Loss**	**% Loss**
1	ATM/Electronic Fraud	11,717	-	0.00%	5,715	-	0.00%
2	Cash Theft/ Suppression	40	55,933,180	40.48%	73	100,443,185	29.96%
3	Fraudulent Transfer/Withdrawals	27	82,237,064	59.52%	38	122,120,354	36.43%
4	Fraudulent Loan	-	-	0.00%	-	-	0.00%
5	Armed Robbery	-	-	0.00%	3	16,276,000	4.86%
6	Cyber Attack	-	-	0.00%	1	96,363,209	28.75%
7	Clearing	-	-	0.00%	1	-	0.00%
8	Presentation of Forged Instrument	-	-	0.00%	5	-	0.00%
	TOTAL	**11,784**	**138,170,244**	**100%**	**5,836**	**335,202,748**	**100%**

CORPORATE GOVERNANCE REPORT FOR FULL YEAR ENDED DECEMBER 31, 2020

The Board of Access Bank Plc ('the Bank') is pleased to present the Corporate Governance Report for the 2020 Financial Year. The report provides insight into the operations of our governance framework and Board's key activities during the reporting year.

The Board recognizes that effective governance is imperative for sustainable performance and 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 Board is focused on implementing corporate best practices across the enterprise in order to protect stakeholders' interests and enhance shareholders' value. The Group's corporate governance framework is designed to align management's actions with the interest of shareholders while ensuring an appropriate balance with the interests of other stakeholders.

Our corporate governance systems ensure on-going compliance with the Bank's governance charter and relevant codes of corporate governance as well as the post listing requirements of the stock exchanges where our securities are listed. Our governance model is founded on key pillars of diversity, accountability, responsibility, transparency, independence, fairness and discipline. The Bank's governance policies and structures 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.

There were significant changes to the Board composition in 2020 as highlighted in the table below.

S/N	NAME	COMMENT
1	Mrs. Mosun Belo-Olusoga	Retired as Chairman and Non-Executive Director effective January 8, 2020 following completion of maximum 12-year tenure allowed by the Central Bank of Nigeria's Code of Corporate Governance for Bank in Nigeria.
2	Mr. Abba Habib	Mr. Abba Habib, retired from the Board as a Non-Executive Director on March 30, 2020 following his decision not to seek renewal of his term due to personal engagements.
3	Dr. Ernest Ndukwe	Dr. Ernest Ndukwe resigned from the Board as an Independent Non-Executive Director with effect from March 31, 2020 to pursue his personal endeavours.
4	Dr. (Mrs.)Ajoritsedere Awosika	Appointed Chairman of the Board effective January 8, 2020
5	Mr. Hassan Tanimu Musa Usman	Appointed as an Independent Non-Executive Director with effect from August 27, 2020.
6	Mr. Seyi Kumapayi	Appointed as an Executive Director with effect from November 10, 2020
7	Mrs. Omosalewa Fajobi	Appointed as a Non-Executive Director with effect from November 13, 2020.

Composition and Role

As at December 31, 2020, the Board was made up of 17 members comprising 9 Non-Executive and 8 Executive Directors. Six of the Board members are female while five of them are Independent Non-Executive Directors.

Board Members Profile

Dr. (Mrs.) Ajoritsedere Awosika, MFR
Chairman/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.

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

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

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

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

Mrs. Anthonia Ogunmefun
Non-Executive Director

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

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

She is 69 years old as at the date of this meeting.

Mr. Paul Usoro, SAN
Non-Executive Director

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

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

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

He is 62 years old as at the date of this meeting.

Mr. Adeniyi Adekoya
Independent Non- Executive Director

Mr. Adekoya is a highly experienced maritime and oil and gas industry expert with significant experience in investment banking. He 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 currently chairs the Board Audit Committee and Board Digital and Information Technology Committee. He is also the Vice-Chairman of the Board Governance, Nomination and Remuneration Committee. He sits on the boards of Synerpet Ltd, Weston Integrated Services Ltd and Prime Atlantic Limited.

He is 54 years old as at the date of this meeting.

Mr. Iboroma Akpana
Independent Non- Executive Director

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

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

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

He is 56 years old as at the 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 had championed and established a special needs programme which is actively involved in the management and care of children and young people with special needs. She is currently engaged in legal practice with Macpherson Legal Practitioners, a Lagos-based law firm. Mrs. Osime is an Independent Non-Executive Director of WAPIC Life Assurance Company Limited and a Non-Executive Director of Smartbase Services, Ebudo Trust Limited and AIP Global Limited.

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

She holds a Master's Degree in Law from University of London (1989) with specialization in Corporate and Commercial Law and an LLB Degree from the University of Benin (1986). She joined the Board in November 2019 and is the Vice-Chairman of the Board Digital and Information Technology Committee.

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

Dr. Okey Nwuke, FCA
Non-Executive Director

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

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

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

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

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

He is 54 years old as at the date of this meeting.

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

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

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

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

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

Mr. Usman joined the Board in August 2020.

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

Mrs. Omosalewa Fajobi
Non-Executive Director

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

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

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

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

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

Mrs. Fajobi joined the Board in November 2020.

She is 43 years old as at the date of this meeting.

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

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

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

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

He is 54 years old as at the date of this meeting.
Mr. Roosevelt Ogbonna, FCA, CFA
Group Deputy Managing Director

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

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

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

He is 47 years old as at the date of this meeting.

Mr. Victor Etuokwu, HCIB
Executive Director
Personal Banking

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

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

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

He is 54 years old as at the date of this meeting.

Dr. Gregory Jobome, HCIB
Executive Director
Chief Risk Officer

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

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

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

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

He is 55 years old as at the date of this meeting.

Ms. Hadiza Ambursa
Executive Director
Commercial Banking

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

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

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

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

She is 50 years old as at the date of this meeting.

Mr. Adeolu Bajomo
Executive Director
Information Technology & Operations

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

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

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

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

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

He is 55 years old as at the date of this meeting.

Mrs. Chizoma Okoli, HCIB
Executive Director
Business Banking Division

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

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

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

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

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

Mr. Oluseyi Kumapayi, FCA
Executive Director, African Subsidiaries

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

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

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

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

He joined the Board in November 2020.

He is 49 years old as at the 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 12th Annual Retreat at Eko Hotel and Suites, Victoria Island, Lagos, Nigeria on February 21-22, 2020. Management provides the Board with quarterly update on implementation of the strategy, affording the Board the opportunity to critique the Management's performance and access significant risk issues as well as mitigating controls implemented.

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

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

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

The Board believes that the use of an independent consultant promotes the objectivity and transparency of the evaluation process. Our Board and corporate governance assessment 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 assessment of the Bank's corporate governance frameworks and polices, evaluation of the Board and the Committees as well as the effectiveness of the Independent Directors.

In compliance with the CBN Code, the 2019 Annual Board Performance Evaluation Report was presented to shareholders at the Bank's 31st Annual General Meeting held on April 30, 2020 by a representative of Ernst and Young while the result of the 2019 Board Performance was presented at the Board meeting held on February 10, 2020. The summary of the 2020 report is contained herein. The result confirmed that the individual Directors and the Board continue to operate at a very high level of effectiveness and efficiency.

The Board confirms that the Bank has complied with the applicable Codes of Corporate Governance following the corporate governance evaluation and Board performance evaluation conducted for the 2020 Financial Year.

Board Composition- Guiding Principles

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

The Board's composition subscribes to global best practice on the need for Non-Executive Directors to exceed Executive Directors. In 2020, the Board had more Non-Executive Directors than Executive Directors, with five of the Non-Executive Directors being independent as against two required by the CBN Code of Corporate Governance for Banks in Nigeria. Non-Executive Directors are appointed to the Board to bring independent, specialist knowledge and impartiality to strategy development and execution monitoring. The Board is committed to improving gender diversity in its composition in line with its diversity policy. 25% of the Executive Management team is composed of females while the Board had 35% female memberships as of December 31, 2020 above Nigeria's national average of 12%. In addition, 43% of the Bank's workforce is composed of female staff.

Retirement and Re-election of Directors

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

Messrs Adeniyi Adekoya and Iboroma Akpana retired at the Bank's 31st Annual General Meeting held on April 30, 2020 and being eligible for re-election were duly re-elected by shareholders. The shareholders also approved the appointment of Mrs. Ifeyinwa Osime as an Independent Non-Executive Director and Dr. Okey Nwuke as a Non-Executive Director. The appointment of the new Directors was earlier approved by the Board and the Central Bank of Nigeria.

Mr. Abba Habib and Dr. Ernest Ndukwe retired and resigned respectively from the Board to pursue other personal endeavours. Mrs. Mosun Belo-Olusoga also retired from the Board following the completion of the maximum 12-year term allowed for Non-Executive Director by the Central Bank of Nigeria.

Prior to their exit from the Board, Mrs. Mosun Belo-Olusoga was the Chairman of the Bank and a Non-Executive Director, Mr. Abba Habib was a Non-Executive Director while Dr. Ernest Ndukwe was an Independent Non-Executive Director. The Board commends them for their valuable contributions to the Bank and wishes them success in their future endeavours.

In the course of the year, the Board appointed Mr. Hassan Tanimu Musa Usman as an Independent Non-Executive Director, Mr. Seyi Kumapayi as an Executive Director and Mrs. Omosalewa Fajobi as a Non-Executive Director. All referenced Board appointments have been approved by the Central Bank of Nigeria. In line with the provisions of the Articles of Association, the three appointees will retire at this meeting and will submit themselves for election.

Pursuant to the provisions of the Bank's Articles of Association, Mr. Paul Usoro, SAN will retire during this Annual General Meeting and being eligible for re-election, will submit himself for re-election.

The Board is convinced that the Directors standing for election and re-elections 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 in 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 the Board is achieved through composition, induction, training and a rigorous evaluation process. The effectiveness of the Board derives from the diverse range of skills and competences of the Executive and Non-Executive Directors who have exceptional degrees in banking, financial and broader professional and entrepreneurial experiences.

Training and Induction

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

New Directors are exposed to a personalised induction programme which includes one-on-one meetings with Executive Directors and Senior Executives responsible for the Bank's key business areas. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction programme covers an overview of the Strategic Business Units as well as Board processes and policies.

A new Director is provided with an induction pack containing charters of the various Board Committees, significant reports, important statutes and policies, minutes of previous Board meetings and a calendar of Board activities. Based on the recommendation of the Governance, Nomination and Remuneration Committee, the Board approves the annual training plan and budget for Directors while the Company Secretary ensures the implementation of the plan with regular reports to the Board. During the period under review, the Directors attended the training programmes detailed below:

S/N	NAME OF DIRECTOR	TRAINING	FACILITATOR	DATE	STATUS
1	Dr. (Mrs.) Ajoritsedere Awosika	2020 Risk Refresher Class For Board Members (Online)	KPMG and other Internal Facilitators	August 19, 2020	Done
	Mrs. Anthonia Ogunmefun				
	Mr. Paul Usoro, SAN				
	Mr. Adeniyi Adekoya				
	Mr. Iboroma Akpana				
	Mrs. Ifeyinwa Osime				
	Dr. Okey Nwuke				
	Mr. Herbert Wigwe				
	Mr. Roosevelt Ogbonna				
	Mr. Victor Etuokwu				
	Dr. Gregory Jobome				
	Ms. Hadiza Ambursa				
	Mr. Ade Bajomo				
	Mrs. Chizoma Okoli				
2	Dr. (Mrs.) Ajoritsedere Awosika	Effective Board Oversight of Cybersecurity and Risk Management in the New Normal (Online)	FITC	August 27-28, 2020	Done
	Mr. Adeniyi Adekoya				
	Mrs Ifeyinwa Osime				
3	Dr. (Mrs.) Ajoritsedere Awosika	2020 CBN-FITC Continuous Education Programme for Directors of Banks and Other Financial Institutions- The Future of Board and Governance: Reporting, Supervising and Risk Management	FITC	November 12-13, 2020	Done
	Mrs. Ifeyinwa Osime				
	Dr. Okey Nwuke				
	Mr. Hassan Usman				
4	Dr. (Mrs.) Ajoritsedere Awosika	Transformational Leadership	Schulich School of Business, York University	November 16-20, 2020	Done

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 decisions and is committed to maintaining high standards of corporate disclosure. The implementation of our Investor Communication and Disclosure Policy helps the Board to understand shareholders views about the Bank. The Bank's website www.accessbankplc.com is regularly updated with both financial and non-financial information.

Shareholders meetings are convened and held in an open manner in line with the Bank's Articles of Association and existing statutory and regulatory regimes, for the purpose of deliberating on issues affecting the Bank's strategic direction. The Annual General Meeting is a medium for promoting interaction between the Board, management, and shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies, while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, the Central Bank of Nigeria and the Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of meetings. An Extraordinary General Meeting may also be convened at the request of the Board or shareholders holding not less than 10% of the Bank's Paid-Up Capital.

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

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

Access to Information and Resources

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

Board Responsibilities

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

Term of Office

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

Separation of Roles

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

The Role of the Board

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

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

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

- Defining the Bank's business strategy and objectives.
- Formulating risk policies.
- Approval of quarterly, half yearly and full year financial statements.
- Approval of significant changes in accounting policies and practices.
- Appointment or removal of Directors and the Company Secretary.
- Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure.
- Approval of charter and membership of Board Committees.
- Setting of annual Board objectives and goals.
- Approval of allotment of shares.
- Appointment and removal of Chief Audit Executive.
- Approval of the framework for determining the policy and specific remuneration of Executive Directors.
- Monitoring delivery of the strategy and performance against plan.
- Reviewing and monitoring the performance of the Group Managing Director and the Executive team.

- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and Senior Executives.
- Ensuring effective communication with shareholders.
- Ensuring the integrity of financial reports by promoting disclosure and transparency.
- Succession planning for key positions.

The Role of the Group Chairman

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

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

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

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

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

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

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

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

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

The Role of the Company Secretary

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

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

Delegation of Authority

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

Board Meetings

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

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

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

The Board met 7 times during the period under review.

The Board devoted considerable time and efforts on the following issues in 2020.

- Approval of Interim and Full Year Audited Financial Statements
- Consideration and approval of the Group's 2021 budget
- Consideration of top Management and Board appointments
- Approval of appointments to subsidiary Boards
- Approval of ICAAP document
- Approval of Recovery and Resolution Plan
- Monitoring the implementation of 2018-2022 Strategic Plan.
- Approval of credit facilities.
- Review and approval of policies
- Approval of subsidiary expansion activities.
- Approval of Scheme document for the proposed Access Holdings Plc

Board Meeting Attendance in 2020

The membership of the Board and attendance at meeting in 2020 are set out below.

Type of Meeting	**Annual Retrea**	**AGM**	**Board Meetings**						
Date	Feb 21-22 2020	30/4/ 2020	10/1/ 2020	10/2/ 2020	23/4/ 2020	29/7 2020	10/9/ 2020	27/10/202 0	16/12/ 2020
Ajoritsedere Awosika	P	P	P	P	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P	P	P	P	P
*Ernest Ndukwe	P	RS	P	P	RS	RS	RS	RS	RS
Paul Usoro	P	P	P	P	P	P	P	P	P
**Abba Habib	A	RT	P	P	RT	RT	RT	RT	RT
Adeniyi Adekoya	P	P	P	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P	P	P	P
***Hassan Usman	NM	NM	NM	NM	NM	NM	P	P	P
****Omosalewa Fajobi	NM	NM	NM	NM	NM	NM	NM	NM	P
Herbert Wigwe	P	P	P	P	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P	P	P	P	P

Victor Etuokwu	P	P	P	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P	P	P	P	P
Adeolu Bajomo	P	P	P	P	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P	P	P	P	P
*****Seyi Kumapayi	NM	NM	NM	NM	NM	NM	NM	NM	P

*Dr. Ernest Ndukwe resigned from the Board with effect from March 31, 2020

**Mr Abba Habib retired from the Board with effect from March 30, 2020
***Mr. Hassan Usman was appointed as an Independent Non-Executive Director with effect from August 27, 2020
****Mrs. Omosalewa Fajobi was appointed as a Non-Executive Director with effect from November 13, 2020
*****Mr. Seyi Kumapayi was appointed as an Executive Director with effect from November 10, 2020

Board Committees

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

The Board has seven standing committees, namely: The Risk Management Committee, the Audit Committee, the Governance, Nomination and Remuneration Committee, the Human Resources and Sustainability Committee, Digital and Information Technology Committee, Credit 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 2020.

Board Human Resources and Sustainability Committee

The membership of the Committee and attendance at the meetings in 2020 are as set out below:

Name	**13/1/2020**	**6/4/2020**	**7/7/020**	**6/10/2020**	**17/10/2020**
Paul Usoro	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P
Ernest Ndukwe	P	RS	RS	RS	RS
Adeniyi Adekoya	NM	P	P	P	P
Iboroma Akpana	P	P	P	P	P
Okey Nwuke	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P
Hassan Usman	NM	NM	NM	P	P
Herbert Wigwe	P	P	P	P	P

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

The key decisions of the Committee in the reporting period included recommendation of top management appointments, review and recommendation of human resources polices to the Board for approval and consideration of HR Integration report as well as quarterly reports on human resources and sustainability.
The Committee met 5 times during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Board Governance, Nomination and Remuneration Committee

The membership of the Committee and attendance at the meetings in 2020 are as set out below.

Name	**14/01/ 2020**	**08/02/ 2020**	**17/03/ 2020**	**14/04/ 20**	**07/10/ 2020**	**17/10/ 2020**
Iboroma Akpana	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	P	P

Paul Usoro	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P

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

The key decisions of the Committee in the reporting period included approval of the 2021 training plan and budget for Non-Executive Directors, recommendation of Board appointments, including subsidiary Board appointments and consideration of the remuneration survey report.

The Committee met 6 times in the 2020 financial year.

Mr. Iboroma Akpana is the Chairman of the Committee.

Board Credit & Finance Committee

The membership of the Committee and Directors' attendance at meetings in 2020 are as set out below.

Name	**13-1-20**	**24-2-20**	**17-3-20**	**6-4-20**	**15-5-20**	**17-6-20**	**7-7-20**	**18-8-20**	**16-9-20**	**6-10-20**	**26-10-20**	**17-11-20**	**18-12-20**
Okey Nwuke	P	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	P
Anthonia Ogunmefun	P	P	P	P	P	P	P	P	P	P	P	P	P
Ernest Ndukwe	P	P	P	RS	RS	RS	RS	RS	RS	RS	RS	RS	RS
Paul Usoro	P	P	P	P	P	P	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P	P	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P	P	P	P	P	P	P	P
Abba Habib	P	A	P	RT	RT	RT	RT	RT	RT	RT	RT	RT	RT
Hassan Usman	NM	NM	NM	NM	NM	NM	NM	NM	P	P	P	P	P
Omosalewa Fajobi	NM	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	P	P
Roosevelt Ogbonna	P	P	P	P	P	P	P	P	P	P	P	P	P
Victor Etuokwu	P	P	P	P	P	P	P	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P	P	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P	P	P	P	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P	P	P	P	P	P	P	P	P
Seyi Kumapayi	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	P	P

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

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

The Committee met 13 times during the reporting period.

Dr. Okey Nwuke is the chairman of the Committee.

Board Risk Management Committee

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	**14/01/2020**	**17/03/2020**	**7/4/2020**	**8/7/2020**	**7/10/2020**
Anthonia Ogunmefun	P	P	P	P	P
Paul Usoro	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P
Okey Nwuke	P	P	P	P	P
Hassan Usman	NM	NM	NM	NM	P
Abba Habib	P	P	RT	RT	RT
Herbert Wigwe	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P
Gregory Jobome	P	P	P	P	P

Adeolu Bajomo	P	P	P	P	P

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

During the period under review, the Committee considered and recommended some policies to the Board for approval, considered stress test reports on the Bank's Balance Sheet, received risk reports from all the risk areas except credit and made relevant recommendations to the Board for approval. The Committee reviewed the Bank's response to the COVID-19 pandemic and make appropriate recommendation to Management.

The Committee met 5 times during the reporting period.

Mrs. Anthonia Ogunmefun is the Chairman of the Committee.

Board Audit Committee

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	15-01-2020	7-02-2020	9-04-2020	9-07-2020	28-07-2020	8-10-2020
Adeniyi Adekoya	P	P	P	P	P	P
Paul Usoro	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P
Ifeyinwa Osime	P	P	P	P	P	P
Iboroma Akpana	NM	NM	P	P	P	P
Abba Habib	P	P	RT	RT	RT	RT
Ernest Ndukwe	P	P	RS	RS	RS	RS
Hassan Usman	NM	NM	NM	NM	NM	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 2019 Group Full Year Audited Financial Statements, 2020 Group Interim Audited Financial Statements as well as relevant policies to the Board for approval. The Committee also considered Whistle blowing reports as well as reports of the Group Internal Auditor and Internal Audit Consultants.

The Committee met six times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee.

Board Digital & Information Technology Committee

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	16-01-2020	8-04-2020	10-07-2020	9-10-2020
Adeniyi Adekoya	P	P	P	P
Anthonia Ogunmefun	P	P	P	P
Iboroma Akpana	P	P	P	P
Ifeyinwa Osime	P	P	P	P
Okey Nwuke	NM	P	P	P
Hassan Usman	NM	NM	NM	P
Ernest Ndukwe	P	RS	RS	RS
Abba Habib	P	RT	RT	RT
Herbert Wigwe	P	P	P	P
Roosevelt Ogbonna	P	P	P	P
Victor Etuokwu	NM	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 reports on cyber security and digital risk, partnerships and digital eco systems, customer feedback as well as audit report on the Bank's information technology and digital systems.

The Committee met 4 times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee

Board Technical Committee on Retail Expansion

The membership of the Committee and attendance at meetings in 2020 are as set out below.

Name	08-2-20	17-3-20	23-4-20	23-5-20	29-6-20	6-9-20	27-11-20
Paul Usoro	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P	P
Ifeyinwa Osime	NM	NM	NM	NM	NM	NM	P
Abba Habib	P	P	RT	RT	RT	RT	RT
Herbert Wigwe	P	P	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P	P
Seyi Kumapayi	NM	NM	NM	NM	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 and strategic relationships as well as green and brown fields investments involving the Bank. It also oversees the post-acquisition integration and business development opportunities.

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

The Committee met 7 times during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Key

Key	
P	Present
A	Absent
NM	Not Member
RT	Retired
RS	Resigned

DIRECTORS' INTEREST INCONTRACTS

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

Executive Committee

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

Management Committees

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

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

Statutory Audit Committee

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

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

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

Henry Omatsola Aragho, FCA
Chairman, Statutory Audit Committee

Mr. Aragho obtained his Higher National Diploma (Accounting) from Federal Polytechnic Auchi in 1981 and a master's degree in Business Administration from Ogun State University (1999). He qualified as a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN) in 1985. He was admitted as an Associate Member of Institute of Chartered Accountants of Nigeria in March 1986 and subsequently qualified as a fellow of the Institute. He joined the Nigerian Ports Authority in 1982 and retired as General Manager Audit in 2005. He is presently the Managing Consultant of Henrose Consulting Limited and Managing Director Henrose Global Resources Limited.

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

Emmanuel Olutoyin Eleoramo
Member, Statutory Audit Committee

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

Idaere Gogo-Ogan
Member, Statutory Audit Committee

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

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

Record of Attendance at Statutory Audit Committee Meetings in 2020

Name	15-01-2020	07-02-2020	28/7/2020
Henry Omatsola Aragho	P	P	P
Idaere Gogo Ogan	P	P	P
Emmanuel O. Eleoramo	P	P	P
Adeniyi Adekoya	P	P	P
Okey Nwuke	P	P	P
Iboroma Akpana	P	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.

Reconstitution of the Statutory Audit Committee

The Bank's Statutory Audit Committee has been reconstituted in line with the requirements of the Companies and Allied Matters Act 2020 which provides that the Committee should be composed of three shareholders and two Non-Executive Directors. This is as against the provisions of the 1990 Act which stated that the Committee should comprise an equal number of shareholders and Directors.

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

The composition of the Bank's Statutory Audit Committee in 2020 is highlighted below:

Name	Designation
Henry Omatsola Aragho	Chairman Shareholder representative
Idaere Gogo Ogan	Member Shareholder representative
Emmanuel O. Eleoramo	Member Shareholder representative
Adeniyi Adekoya	Member Board representative
Iboroma Akpana	Board representatives
Okey Nwuke	Member Board representative

Role and Focus of the Statutory Audit Committee

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

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

2020 Audit Fees

The audit fees paid by the Bank to PricewaterhouseCoopers, external auditors for the 2020 statutory audit was N603,000,000 while fees for non-audit services rendered to the Bank during the year amounted to N108,750,000

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 2020 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 eight years.

Succession planning

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

Code of Ethics

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

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

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

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

Dealing in Company Securities

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

Remuneration Policy

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

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

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

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

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

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

Whistle-Blowing Procedure

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

Telephone
Internal: +234-1-2712065

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

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

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

9MOBILE:
0809-993-6366

GLO:
0705-889-0140

E-Mail
Internal: whistleblower@accessbankplc.com
External: kpmgethicsline@ng.kpmg.com

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

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

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

Customer Complaints and Resolution

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

Highlights of the Bank's Clawback Policy

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

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

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

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

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

Highlights of Sustainability Policies

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

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

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

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

A detailed report on the Bank's sustainability activities in contained in the Annual report.

Statement of Compliance

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

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

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

Ajoritsedere Awosika
Chairman

Sunday Ekwochi
Company Secretary

Statement of Directors' Responsibilities in relation to the Consolidated and separate Financial Statements for the year ended 31 December 2020

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

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

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

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

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

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

Report of the statutory audit committee

To the members of Access Bank Plc:

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the year ended 31 December 2020 as follows:

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

We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2020 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 N2,232,941,593.95 (December 2019: N1,949,551,149) was outstanding as at 31 December 2020 which was performing as at 31 December 2020 (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
28 January 2021

Members of the Audit Committee are:

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

In attendance:
Sunday Ekwochi – Company Secretary

Statement of Corporate Responsibity for the Consolidated and separate Financial Statements for the year ended 31 December 2020

In line with the provision of S.405 of CAMA 2020 we have reviewed the audited financial statements of the Bank for the year ended 31 December, 2020 and based on our knowledge confirm as follows;

I. The Report does not contain any untrue statement, or material fact, or omits to state a material fact, which would make the statement misleading under the circumstances they were made.

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

III. We are responsible for maintaining internal controls

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

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

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

VII We have disclosed to the Auditors of the company and audit committee; all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarise and report financial data and have identified for the company's Auditors any material weakness in internal controls, and any fraud, whether or not material, that involves management or other employees who have significant roles in the company's internal controls

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

29 January, 2021

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

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

The Nigerian economy, like most nations across the world, faced turbulence in 2020 due to the novel virus, COVID-19. To a surprise, the economy exited recession in Q4 2020, when GDP grew by 0.11% having contracted for two consecutive quarters in Q2 and Q3 2020 with growth rates of -6.1% and -3.6%, respectively. The improvement in the Q4 GDP number reflects the impact of significant injection of intervention funds by the Central Bank of Nigeria (CBN) into sectors worst hit by the pandemic. The growth recovery also stemmed from the re-opening of business activities as movement restrictions were eased and less volatile oil prices due to expectations of further production cuts by the Organisation of Petroleum Exporting Countries (OPEC). The main sectoral drivers for growth in Q4 2020 were Agriculture, Telecommunications, Broadcasting, Real Estate, Manufacturing and Construction. For full year 2020, the economy contracted by -1.86% which is less than the International Monetary Fund's (IMF) estimate of -4.3%. The real GDP growth rate for Q1 2021 is expected to remain positive albeit very low due to lingering structural challenges. Nevertheless, fiscal and monetary measures, commencement of AfCFTA, border reopening, higher oil prices and availability of vaccines are expected to aid economic recovery in 2021.

Oil prices which remained volatile for much of 2020, began to creep upwards towards the end of the year due to the optimism of the COVID-19 vaccine rollout, stimulus injection by central banks and crude oil production restrictions by OPEC and its partners. Crude oil prices (Bonny Light) sold for $50.59 per barrel at end-2020 from $41.62 at H1 2020. However, the devastating impact of the COVID pandemic on global economic activities and crude oil price volatility continued to put pressure on foreign exchange stability which necessitated several exchange rate adjustments in March, July and in August 2020 by the Central Bank of Nigeria. The official exchange rate weakened moving from N306/$ in January 2020 to N379/$ in December 2020, indicating a naira devaluation of 23.8%. In addition, pressures from the World Bank led to price adjustments in the exchange rate with Naira at the Exporters/Importers Window moving from N363.75/$1 in January 2020 to N400.73/$1 in December 2020. At the start of 2020, the nation's foreign reserves stood at $38.5 billion but dropped to $33.4 billion due to the collapse in oil prices following the initial disagreement between OPEC and Russia to extend crude oil production cuts. However, reserve levels ascended afterwards following the uptick in oil prices and the disbursement of $1.3 billion by the International Monetary Fund (IMF) as emergency funding to support the fight against COVID-19. Accretion of the foreign reserves in Q1 2021 is expected as the oil prices look northward supported by the more widespread rollout of the COVID-19 vaccine. Other reserve drivers will include the impact of the new diaspora remittance policy on FX inflows and inflows from approved foreign loans.

Nigeria's annual inflation rate continued to rise in 2020 reaching 15.75% in December 2020 from 12.13% in January. The increase was attributed to supply chain disruptions from the global pandemic, food supply pressures, cost reflective rise in electricity tariff, increase in fuel price and the passthrough effect of the currency devaluation on the general price level.

The CBN's benchmark interest rate, the monetary policy rate (MPR), dropped from 13.5% in January 2020 to 11.5% by December 2020. The decision to reduce the anchor lending rate stemmed from need to stimulate credit expansion to the sectors of the economy worst hit by the pandemic and to offer impetus for output growth and economic recovery. Cash Reserve Ratio (CRR) was increased to 27.5% from 22.5% at the start of the year. Treasury bills yields remained on low levels throughout the year. The Federal Government's debt grew by 8.3% from N28.6 trillion in Q1 2020 to N31 trillion in Q2 2020. A disaggregation of the total public debt indicated that N11.4 trillion (36.77%) was external while N19.6 trillion (63.23%) was domestic.

Given the above pandemic and macroeconomic conditions, the following actions and initiatives were deployed to ensure robust and resilient risk outcomes:

- We deepened our scenario analysis and stress testing modeling activities to enhance risk identification and mitigation steps.
- Our end-to-end credit automation also enabled the Bank to seamlessly embrace online and real time workflows to support our lending processes.
- Adoption of automated alerts that supported proactive risk monitoring and remediation.

To limit the impact of the pandemic on the Bank's operations, group-wide Business Continuity Plan (BCP) actions were also taken to safeguard the workforce, our customers and vendors whilst providing key services. Some of the actions included; strengthening of our online service platforms, implementation of Work-From-Home (WFH) and Online Collaboration Policy, continuous health and safety awareness for staff and customers, provision of dedicated residential facilities (safe havens) for critical service staff and enforced compliance with COVID-19 safety protocol in all our locations. These actions helped to sustain services to our customers even at the peak of the pandemic.

ENTERPRISE-WIDE RISK MANAGEMENT

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

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

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

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

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

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

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

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

RISK MANAGEMENT PHILOSOPHY, CULTURE, APPETITE AND OBJECTIVES

Our Risk Culture Statement:

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

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

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

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

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

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

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

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

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

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

GROUP RISK OVERSIGHT APPROACH

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

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

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

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

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

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

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

STRATEGY AND BUSINESS PLANNING

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

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

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

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

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

RISK APPETITE

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

been defined and cascaded in a measurable manner. The risk profile is managed based on an integrated risk management framework. In this framework, all types of risks are identified to provide one integrated view on the risk profile for the Bank as a whole.

RISK MANAGEMENT OBJECTIVES

The broad risk management objectives of the Bank are:

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

SCOPE OF RISKS

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

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

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

THE BOARD AND MANAGEMENT COMMITTEES

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

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

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

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

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 2020, 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 2020;
- the consolidated and separate statements of financial position as at 31 December 2020;
- 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
Purchase Price Allocation and determination of intangible assets arising on business combination (refer to notes 3.3b, 4xii, 29 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 51.3 billion. The accounting for this transaction is complex due to the significant judgements and estimates that are required in the identification and measurement of the fair value of the assets and liabilities acquired. The directors have concluded the Purchase Price Allocation (PPA) for the acquisition and identified the following intangible assets in accordance with IFRS 3 "Business combinations": • Brand • Customer relationship • Core deposits The directors employed an external valuation expert to determine the valuation of these intangible assets using the following standard valuation methodologies (in order of above): • Relief-from-royalty method • Replacement cost method • Funding benefit method We have determined this to be a key audit matter based on the materiality and complexity of the acquisition and the significance of the transaction to the Group. This is considered a key audit matter in the consolidated and separate financial statements.	We tested the reasonableness of the directors' determination of the fair value of purchase consideration. With the assistance of our internal valuation experts we: • assessed the reasonableness of the directors determination of Brand, Customer relationships and Core deposits as intangible assets arising on acquisition of the defunct Diamond Bank Plc; and • evaluated the methodologies used by the directors' external expert in determining the fair values of the intangibles for reasonableness; and • agreed the amounts in the expert's report to the amount recognised in the financial statements. We evaluated the adequacy of the disclosures in the consolidated and separate financial statements.
Impairment of goodwill (refer to notes 3.13a, 3.14, 4ii and 29b)	
The carrying value of goodwill as at 31 December 2020 is N 11.78 billion and is attributable to the group's acquisitions in Nigeria (N 4.55 billion), Kenya (N 6.55 billion) and Rwanda (N 0.68 billion).	Our procedures in relation to the assessment of the carrying value of goodwill included:

We identified the impairment assessment of goodwill arising from the acquisition in Nigeria as a key audit matter due to the materiality, significant judgement and assumptions about the future performance of the cash generating unit (CGU) to which the goodwill has been allocated. The acquisition in Kenya occurred during the year and provisional numbers have been recorded in the consolidated and separate financial statements. Hence, no impairment assessment was performed on the goodwill arising from this acquisition.

The directors have made a number of key assumptions and assertions to support their assessment of the carrying value of goodwill attributable to this CGU. These include the growth rates and the discount rate applied to forecast performance based on the directors' views of future business prospects.

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

- assessing the reasonableness of the valuation methodology adopted by the directors;
- challenging the reasonableness of key assumptions around growth rate and discount rate based on our knowledge of the business and industry; and
- reconciling input data used in the cash flow forecasts to supporting evidence, such as prior and current year audited consolidated and separate financial statements.

With the assistance of our internal valuation experts, we:

- independently determined the recoverable amount of goodwill and compared to the carrying amount in the consolidated and separate financial statements; and
- performed a sensitivity analysis to evaluate the potential impact of reasonably possible downside changes in these key assumptions.

We checked the disclosures in the consolidated and separate financial statements to the requirements of the accounting standard.

Impairment on loans and advances to customers – N149.1 billion (refer to notes 3.9, 4i 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);

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;
- applied a risk-based target testing approach in selecting a sample of credit facilities for detailed reviews of related customer files and account statements.

With the assistance of our credit experts, we:

- methodologies adopted by the bank in modelling the probability of default (PD) used in the ECL model;
- estimation of Loss Given Default (LGD) by considering collateral values and assumptions inherent in the model; and
- incorporating forward looking information and the determination of multiple economic scenarios used in the ECL model.

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

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

We evaluated the IFRS 9 disclosures for reasonableness.

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, Statement of corporate responsibility, Risk management framework, Other disclosures: Assessment of Covid- 19 impact on going concern, Value added statement and 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 2020 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 2020 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 and returns;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 45 to the 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 2020.

Chidi Ojechi

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

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
1010573

31 March 2021

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

Consolidated and separate statement of comprehensive income

In thousands of Naira	*Notes*	Group December 2020	*Restated Group December 2019	Bank December 2020	*Restated Bank December 2019
Interest income calculated using effective interest rate	8	425,666,037	453,550,213	342,109,524	391,459,009
Interest income on financial assets at FVTPL	8	63,550,668	83,296,576	54,568,774	80,009,759
Interest expense	8	(226,266,663)	(259,617,791)	(198,403,593)	(238,708,396)
Net interest income		262,950,042	277,228,998	198,274,705	232,760,372
Net impairment charge	9	(62,893,120)	(20,189,393)	(39,650,580)	(21,055,479)
Net interest income after impairment charges		200,056,922	257,039,605	158,624,125	211,704,893
Fee and commission income	10 (a)	116,700,349	91,845,402	96,679,032	75,365,239
Fee and commission expense	10 (b)	(23,126,925)	(17,798,050)	(22,443,839)	(17,115,894)
Net fee and commission income		93,573,424	74,047,352	74,235,193	58,249,345
Net gains on financial instruments at fair value	11a,b	122,689,735	66,102,273	116,168,029	64,711,601
Net foreign exchange (loss)	12	(7,568,256)	(83,876,395)	(16,545,920)	(93,038,918)
Net (loss) on fair value hedge (Hedging ineffectiveness)	12 b	(795,254)	-	(795,254)	-
Other operating income	13	44,474,162	55,835,530	42,679,583	53,553,485
Profit on disposal of subsidiaries	48 (b)	-	-	-	4,287,666
Personnel expenses	14	(73,173,177)	(76,964,138)	(54,590,721)	(60,712,846)
Depreciation	28	(27,615,333)	(21,232,914)	(22,813,359)	(17,113,619)
Amortization and impairment	29	(9,913,195)	(7,927,685)	(9,246,070)	(7,441,118)
Other operating expenses	15	(215,806,908)	(151,098,113)	(197,519,728)	(134,986,773)
Profit before tax		125,922,123	111,925,517	90,195,877	79,213,716
Income tax	16	(19,912,433)	(17,868,920)	(10,156,549)	(9,097,722)
Profit for the year		**106,009,690**	**94,056,597**	**80,039,328**	**70,115,994**
Other comprehensive income (OCI) net of income tax :					
Items that will not be subsequently reclassified to income statement:					
Actuarial (loss)/gain on remeasurements of retirement benefit obligations		(260,968)	(621,039)	(260,968)	(621,039)
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		4,993,614	(4,155,945)	-	-
Changes in fair value of FVOCI financial instruments		57,683,203	6,477,225	58,444,389	7,373,186
Changes in allowance on FVOCI financial instruments		301,003	109,420	294,277	63,713
Other comprehensive gain/(loss), net of related tax effects		62,716,852	1,809,661	58,477,698	6,815,860
Total comprehensive income for the year		**168,726,542**	**95,866,258**	**138,517,026**	**76,931,854**
Profit attributable to:					
Owners of the bank		104,682,980	93,048,862	80,039,328	70,115,994
Non-controlling interest	38	1,326,710	1,007,735	-	-
Profit for the year		**106,009,690**	**94,056,597**	**80,039,328**	**70,115,994**
Total comprehensive income attributable to:					
Owners of the bank		169,916,650	95,207,784	138,517,026	76,931,854
Non-controlling interest	38	(1,190,108)	658,474	-	-
Total comprehensive income for the year		**168,726,542**	**95,866,258**	**138,517,026**	**76,931,854**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	301	279	225	207
Diluted (kobo)	17	295	275	225	207

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

** See Note 46 - Restatement of prior year financial information*

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

In thousands of Naira	*Notes*	Group December 2020	*Restated Group December 2019	Bank December 2020	*Restated Bank December 2019
Assets					
Cash and balances with banks	18	723,872,820	723,064,003	589,812,439	575,906,273
Investment under management	19	30,451,466	28,291,959	30,451,466	28,291,959
Non pledged trading assets	20	207,951,943	129,819,239	110,283,112	76,971,761
Derivative financial assets	21	251,112,744	143,520,553	244,564,046	143,480,073
Loans and advances to banks	22	392,821,307	152,825,081	231,788,276	164,413,001
Loans and advances to customers	23	3,218,107,026	2,911,579,708	2,818,875,731	2,481,623,671
Pledged assets	24	228,545,536	605,555,891	228,545,536	605,555,891
Investment securities	25	1,749,549,149	1,084,604,185	1,428,039,662	813,706,953
Investment properties	31a	217,000	927,000	217,000	727,000
Restricted deposit and other assets	26	1,548,891,262	1,055,510,452	1,490,633,058	1,004,310,283
Investment in subsidiaries	27b	-	-	164,251,532	131,458,709
Property and equipment	28	226,478,711	211,214,238	191,893,321	188,634,458
Intangible assets	29	69,189,841	62,479,691	67,496,078	67,550,666
Deferred tax assets	30	4,240,448	8,807,563	-	-
		8,651,429,253	7,118,199,563	7,596,851,257	6,282,630,698
Asset classified as held for sale	31b	28,318,467	24,957,519	28,128,467	24,957,518
Total assets		**8,679,747,720**	**7,143,157,082**	**7,624,979,724**	**6,307,588,216**
Liabilities					
Deposits from financial institutions	32	958,397,171	1,186,356,314	831,632,332	1,079,284,414
Deposits from customers	33	5,587,418,213	4,255,837,303	4,832,744,495	3,668,339,811
Derivative financial liabilities	21	20,880,529	6,885,680	20,775,722	6,827,293
Current tax liabilities	16	2,159,921	3,531,410	2,546,892	1,409,436
Other liabilities	34	379,416,799	324,333,870	342,460,276	302,261,951
Deferred tax liabilities	30	14,877,283	11,272,928	11,925,862	4,507,110
Debt securities issued	35	169,160,059	157,987,877	169,160,059	157,987,877
Interest-bearing borrowings	36	791,455,237	586,602,830	755,254,273	544,064,226
Retirement benefit obligation	37	4,941,268	3,609,037	4,584,149	3,418,060
Total liabilities		**7,928,706,480**	**6,536,417,249**	**6,971,084,060**	**5,768,100,178**
Equity					
Share capital and share premium	38	251,811,463	251,811,463	251,811,463	251,811,463
Retained earnings		252,396,877	221,665,751	206,896,037	188,925,555
Other components of equity	38	239,494,175	124,733,785	195,188,165	98,751,020
Total equity attributable to owners of the Bank		**743,702,514**	**598,210,999**	**653,895,664**	**539,488,038**
Non controlling interest	38	7,338,726	8,528,834	-	-
Total equity		**751,041,241**	**606,739,833**	**653,895,664**	**539,488,038**
Total liabilities and equity		**8,679,747,720**	**7,143,157,082**	**7,624,979,724**	**6,307,588,216**

Signed on behalf of the Board of Directors on 29 January, 2021 by:

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

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

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

** See Note 46 - Restatement of prior year financial information*

Consolidated and separate statement of changes in equity

In thousands of Naira
Group

	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2020	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,914)**	**3,489,080**	**964,243**	**11,780,013**	**225,118,814**	**601,664,062**	**8,528,834**	**610,192,896**
Restatement of amortization of identified intangible asset at acquisition for 2019 (See nc	-	-	-	-	-	-	-	-	-	(3,453,063)	**(3,453,063)**	-	**(3,453,063)**
Restated Balance at 1 January, 2020	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,914)**	**3,489,080**	**964,243**	**11,780,013**	**221,665,751**	**598,210,999**	**8,528,834**	**606,739,832**
Total comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	104,682,983	104,682,983	1,326,710	106,009,693
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	6,352,317	-	6,352,317	(1,358,703)	4,993,614
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	(260,968)	(260,968)	-	(260,968)
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	58,841,318	-	-	58,841,318	(1,158,115)	57,683,203
Changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	301,003	-	-	301,003	-	301,003
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**		**-**	**-**	**59,142,321**	**6,352,317**	**(260,968)**	**65,233,670**	**(2,516,818)**	**62,716,852**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**59,142,321**	**6,352,317**	**104,422,015**	**169,916,653**	**(1,190,108)**	**168,726,545**
Transactions with equity holders, recorded directly in equity:													
Transfers during the year	-	-	28,334,037	22,252,453	-	-	-	-	-	(50,586,490)	-		-
Transfers under the scheme of merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares issued under scheme of merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Scheme shares	-	-	-	-	818,385	(315,732)	-	-	-	-	502,653	-	502,653
Vested shares	-	-	-	-	(1,823,391)	-	-	-	-	-	(1,823,391)	-	(1,823,391)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(23,104,397)	(23,104,397)	-	(23,104,397)
Total contributions by and distributions to equity holders	**-**	**-**	**28,334,037**	**22,252,453**	**(1,005,006)**	**(315,732)**	**-**	**-**	**-**	**(73,690,887)**	**(24,425,135)**	**-**	**(24,425,135)**
Balance at 31 December 2020	**17,772,613**	**234,038,850**	**46,425,978**	**115,575,107**	**876,762**	**(5,111,646)**	**3,489,080**	**60,106,564**	**18,132,330**	**252,396,880**	**743,702,517**	**7,338,726**	**751,041,244**

Consolidated statement of changes in equity

In thousands of Naira
Group

	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 2019	**14,463,986**	**197,974,816**	**19,942,296**	**82,889,946**	**1,725,385**	**(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	-	-	-	-	-	-	-	-	-	93,048,864	93,048,864	1,007,735	94,056,599
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	-	-	-	-	-	-	-	6,477,225	-	-	6,477,225	-	6,477,225
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	109,420	-	-	109,420	-	109,420
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	6,586,645	(3,806,684)	(621,039)	2,158,922	(349,261)	1,809,661
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,586,645**	**(3,806,684)**	**92,427,825**	**95,207,786**	**658,474**	**95,866,260**
Transactions with equity holders, recorded directly in equity:													
Transfers during the year	-	-	(1,850,355)	10,432,708	-	-	-		-	(8,582,352)	-	-	-
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)**	**-**	**-**	**-**	**(26,354,965)**	**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**	**(4,795,914)**	**3,489,080**	**964,243**	**11,780,013**	**221,665,753**	**598,211,000**	**8,528,834**	**586,378,015**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserve	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2020	17,772,613	234,038,850	9,483,000	83,061,699	1,881,767	3,489,081	835,473	192,378,618	542,941,101
Restatement of amortization of identified intangible asset at acquisition for 2019 (See note 46)	-	-	-	-	-	-	-	(3,453,063)	**(3,453,063)**
Restated Balance at 1 January, 2020	17,772,613	234,038,850	9,483,000	83,061,699	1,881,767	3,489,081	835,473	188,925,555	539,488,038
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	80,039,331	80,039,331
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	(260,968)	(260,968)
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	58,444,389	-	58,444,389
Changes in allowance on FVOCI financial instruments				-			294,277	-	294,277
Total other comprehensive income/(loss)	-	-	-	-	-	-	**58,738,666**	**(260,968)**	**58,477,698**
Total comprehensive income/(loss)	-	-	-	-	-	-	**58,738,666**	**79,778,363**	**138,517,029**
Transactions with equity holders, recorded directly in equity:									
Transfers for the year	-	-	26,697,585	12,005,900	-	-	-	(38,703,485)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(23,104,397)	(23,104,397)
Scheme shares	-	-	-	-	818,385	-	-	-	818,385
Vested shares	-	-	-	-	(1,823,391)	-	-	-	(1,823,391)
Total contributions by and distributions to equity holders	-	-	**26,697,585**	**12,005,900**	**(1,005,006)**	-	-	**(61,807,881)**	**(24,109,403)**
Balance at 31 December 2020	**17,772,613**	**234,038,850**	**36,180,585**	**95,067,599**	**876,761**	**3,489,081**	**59,574,139**	**206,896,037**	**653,895,664**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2019	14,463,986	197,974,816	9,483,000	72,026,340	1,725,385	3,489,081	(6,601,426)	148,238,575	440,799,757
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	-	-	70,115,991	70,115,991
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	-	-	-	-	-	-	7,373,186	-	7,373,186
Net changes in allowance on FVOCI financial instruments				-			63,713		63,713
Total other comprehensive income/(loss)	-	-	-	-	-	-	**7,436,899**	**(621,039)**	**6,815,860**
Total comprehensive income/(loss)	-	-	-	-	-	-	**7,436,899**	**69,494,952**	**76,931,851**
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**	**835,473**	**188,925,555**	**539,488,038**

Consolidated statement of cash flows

In thousands of Naira	Note	Group December 2020	Restated Group December 2019	Bank December 2020	Restated Bank December 2019
Cash flows from operating activities					
Profit before income tax		125,922,123	111,925,517	90,195,880	79,213,713
Adjustments for:					
Depreciation	28	27,615,333	21,232,914	22,813,359	17,113,619
Amortization and impairment loss	29	9,913,195	7,927,685	9,246,070	7,441,118
Fair value gain on investment property	13	-	(25,000)	-	-
Gain on disposal of property and equipment	13	(1,987,366)	(594,872)	(2,018,982)	(183,049)
(Loss)/Gain on disposal of investment property		(40,000)	153,946	(40,000)	153,946
Loss on lease modification		522,438	63,329	545,865	63,329
Loss on disposal of asset held for sale		-	198,850	-	198,850
Fair value gain on financial assets at FVPL		(36,777,893)	(11,237,409)	(36,777,894)	(11,237,409)
Gain on disposal of investment securities	9	(34,269,886)	(2,265,686)	(29,142,993)	(2,265,686)
Impairment on financial assets		62,893,121	20,164,358	39,650,582	21,055,479
Additional gratuity provision		948,453	774,562	782,312	600,060
Restricted share performance plan expense		818,385	1,092,314	818,385	985,315
Write-off of property and equipment and intangible assets	28	116,586	167,405	-	103,516
Profit on disposal of subsidiaries		-	-	-	(4,287,666)
Net interest income	8	(262,950,043)	(278,116,647)	(198,274,705)	(232,760,371)
Unrealised foreign exchange loss on revaluation	12	52,234,392	19,053,227	49,943,169	17,029,703
Loss on derognition of ROU assets		362,975	-	261,101	-
Fair value of derivative financial instruments		(93,597,342)	(13,082,716)	(87,135,544)	(13,387,046)
Dividend income	13	(2,319,994)	(2,576,171)	(2,319,994)	(3,151,485)
		(150,595,522)	(125,144,394)	(141,453,388)	(123,314,063)
Changes in operating assets					
Changes in non-pledged trading assets		(75,618,149)	(71,289,759)	(33,558,067)	(20,678,371)
Changes in pledged assets		(56,997,669)	476,528,234	(57,007,470)	476,452,942
Changes in other restricted deposits with central banks		44,916,017	(44,514,019)	44,556,655	(5,813,506)
Changes in loans and advances to banks and customers		(738,762,860)	(282,895,899)	(569,045,300)	(237,771,116)
Changes in restricted deposits and other assets		(514,858,162)	(62,624,567)	(518,491,388)	(81,739,297)
Changes in operating liabilities					
Changes in deposits from banks		(233,368,647)	129,334,795	(244,804,888)	409,815,330
Changes in deposits from customers		1,309,402,672	653,011,639	1,172,879,110	570,748,593
Chnages in other liabilities		45,992,245	18,523,510	41,689,071	12,356,179
Cash flows from operating activities		(369,890,076)	690,929,538	(305,235,668)	1,000,056,688
Interest paid on deposits to banks and customers		(181,994,733)	(226,142,999)	(165,307,405)	(211,969,418)
Interest received on loans and advances to bank and customers		407,441,404	247,082,946	335,134,805	232,654,477
Interest received on non-pledged trading assets		61,026,311	84,395,835	54,815,491	81,109,018
Payment to gratuity benefit holders		-	(415,000)	-	(415,000)
		(83,417,094)	795,850,320	(80,592,778)	1,101,435,765
Income tax paid		(12,165,887)	(14,686,580)	(833,943)	(5,677,827)
Net cash generated from/(used in) operating activities		(95,582,981)	779,607,183	(81,426,722)	1,095,757,938
Cash flows from investing activities					
Acquisition of investment securities		(8,516,797,171)	(6,043,119,994)	(8,412,843,685)	(6,014,899,148)
Interest received on investment securities		101,586,670	89,682,585	75,146,701	70,648,399
Addiitonal investment to fund managers		(2,174,162)	(1,362,890)	(2,174,162)	(1,362,890)
Dividend received	13	2,319,994	2,576,171	2,319,994	3,151,485
Acquisition of property and equipment	28	(33,068,701)	(37,505,576)	(21,159,076)	(32,259,378)
Proceeds from the sale of property and equipment		13,039,140	994,122	10,919,976	661,290
Proceeds from the sale of investment property	29	750,000	200,000	550,000	200,000
Capital expenditure on investment property		-	(2,435)	-	(2,435)
Acquisition of intangible assets		(10,219,445)	(7,792,913)	(9,191,480)	(7,270,576)
Proceeds from disposal of asset held for sale		2,010,000	1,746,150	2,010,000	1,746,150
Proceeds from disposal of subsidiary		-	10,619,124	-	12,263,926
Proceeds from matured investment securities		957,703,955	449,279,227	903,036,382	449,279,227
Proceeds from sale of investment securities		7,036,437,195	5,212,067,179	7,015,698,837	5,212,067,179
Additional investment in subsidiaries		-	-	(17,909,828)	(17,582,261)
Net cash acquired on business combination		3,392,357	30,262,457	-	30,258,805
Net cash generated from investing activities		**(445,020,168)**	**(292,356,793)**	**(453,596,340)**	**(293,100,227)**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(40,060,894)	(44,940,125)	(39,296,351)	(43,712,811)
Proceeds from interest bearing borrowings		256,015,899	245,332,824	253,841,702	223,834,913
Repayment of interest bearing borrowings		(75,582,339)	(142,101,478)	(66,636,469)	(138,295,724)
Net proceeds of debt securities issued	35	-	(216,208,000)	-	(216,208,000)
Lease payments		-	45,000,000	-	45,000,000
Purchase of own shares		(2,193,539)	(1,556,558)	(306,702)	(1,184,674)
Dividends paid to owners		(2,233,980)	(2,330,544)	(2,233,980)	(1,501,886)
Debt securities issued	35	(23,104,397)	(17,772,613)	(23,104,397)	(17,772,613)
Net cash (used in)/generated from financing activities		**112,840,750**	**(133,019,937)**	**122,263,803**	**(149,840,794)**
Net increase/(decrease) in cash and cash equivalents		(427,762,399)	354,230,451	(412,759,258)	652,816,917

Cash and cash equivalents at beginning of year	40	1,226,031,019	704,478,296	1,080,005,274	424,360,569
Net increase/ (decrease) in cash and cash equivalents		(427,762,399)	354,230,451	(412,759,258)	652,816,917
Effect of exchange rate fluctuations on cash held		39,577,968	7,235,652	37,232,279	2,827,785
Cash and cash equivalents at end of year	40	837,846,587	1,226,031,019	704,478,295	1,080,005,271

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 2020 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking. The Bank is listed on the Nigerian Stock Exchange.

These financial statements were approved and authorised for issue by the Board of Directors on 29 January 2021. The directors have the power to amend and reissue the financial statements.

2.0 Statement of compliance with International Financial Reporting Standards

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

3.0 Basis of preparation

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

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

3.1 Summary of significant accounting policies

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

(a) Functional and presentation currency

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

(b) Basis of measurement

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

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

(c) Use of estimates and judgments

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

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

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

3.2 Changes in accounting policy and disclosures

Amended standards adopted by the Group

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2020:
(a) Definition of Material – amendments to IAS 1 and IAS 8;
(b) Definition of a Business – amendments to IFRS 3;
(c) Revised Conceptual Framework for Financial Reporting; and
(d) Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7.
(e) IFRS 16 covid 19 related rent concession

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

- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2
- Annual Improvements 2014-2016 cycle
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

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

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

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 - Effective for annual periods beginning on or after 1 January 2022..
- Amendments to IAS 16 Property, Plant and Equipment - Effective date for annual periods beginning on or after 1 January 2022
- Reference to the Conceptual Framework – Amendments to IFRS 3 -1 Jan 2022
- Amendments to IAS 37 Onerous Contracts - Costs of Fulfilling a Contract - Effective date for annual periods beginning on or after 1 January 2022

The impact of the adoption of these standards and the new accounting policies are disclosed in note (b) below. The amended standards did not have any impact on the Bank's accounting policies and did not require retrospective adjustments.

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.
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-
- 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 fair value through profit or loss instruments is recognised using the contractual interest rate in net gains/(loss) on investment securities.

(b) Fees and commission income and expense

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.
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, penal and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Bank recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate. The penal fee on default also forms part of the items warehoused in this line

- Account maintenance fees: These are fees charged to current accounts. N1 on every N1,000 in respect of all customer induced debit transactions is charged on these accounts. These fees are earned by the Bank at the time of each transaction and the Bank recognises its income accordingly.

- Card maintenance fees: The Bank charges these fees to customers for maintaining their cards. The fees are earned and recognised by the Bank over the validity period of the card. The Bank charges the customers for this service on a monthly basis.
- Other fees and commission income, includes commission on 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

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

(c) Net loss/gains on investment securities

Net loss/gains on investment securities comprise of the following:
- Net gains/losses on financial instruments classified as 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

(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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty

(b) Minimum Tax

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

(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 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.

(a) Financial assets

i *Classification*

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

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.

ii *Debt instruments*

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

● Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net 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 period in which it arises.

iii *Equity instruments*

The group initially measured all equity investments at fair value through profit or loss. Where the group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group’s right to receive payments is established.
Changes in the fair value of financial assets at FVPL are recognised in net gains/(loss) on investment securities in the statement of profit or loss as applicable.

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

amount outstanding.
The details of these conditions are outlined below.

iv Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

• How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

• The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

• How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

• The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

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

v The SPPI test

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

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

(b) Financial Liabilities

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

Financial liabilities that are classified at fair value through profit or loss 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.

(c) Classification of financial assets

[i] Fair value through profit or loss

This category comprises financial assets classified as hold to sell upon initial recognition.

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

Financial assets included in this category are recognised initially at fair value; transaction costs are taken directly to the consolidated income statement. Gains and losses arising from changes in fair value are included directly in the consolidated income statement and are reported as "Net loss/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
- Sales or reclassification after the Group has collected substantially all the asset's original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

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

[iv] Fair value through other comprehensive income

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

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

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

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

(d) Classification of financial liabilities

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

(i) Financial liabilities at amortised cost

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

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

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

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

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

(ii) Financial liabilities at fair value

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities.

Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

(e) Measurement of financial asset and liabilities

[i] Amortised cost measurement

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

[ii] Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

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

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

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

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

(f) Reclassification of financial assets

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

The following are not changes in business model;

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

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

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

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

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

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

(g) Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset or liability, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

• Change in currency of the loan
• Introduction of an equity feature
• Change in counterparty
• If the modification is such that the instrument would no longer meet the SPPI criterion

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

(i) Derecognition other than for substantial modification - Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

• The Group has transferred its contractual rights to receive cash flows from the financial asset or
• It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

• The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
• The Group cannot sell or pledge the original asset other than as security to the eventual recipients
• The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

• The Group has transferred substantially all the risks and rewards of the asset or
• The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Derecognition other than for substantial modification - Financial Liabilities

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

(h) Offsetting

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

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

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

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

(i) Measurement of specific financial assets

(i) Cash and balances with banks

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

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

(ii) Repossessed collateral

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

(iii) Derivative financial instruments

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

The Group mitigates the credit risk of derivatives by holding collateral in the form of cash.

(iv) Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets carried at fair value through profit or loss or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.

Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as fair value through profit or loss, Fair value through other comprehensive income or Amortized cost. Where the assets pledged as collateral are designated as fair value through profit or loss, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral designated as Amortized cost are measured at amortized cost.

[v] Investment under management

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

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

The investments are carried at fair value through OCI.

3.9 Impairment of financial assets

Overview of the ECL principles

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

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

Staging Assessment

The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2,Stage 3 and POCI (Purchased or originated credit impaired), as described below:

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

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

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

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

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

Change in credit quality since initial recognition

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

Measuring the Expected Credit Loss

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

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

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

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

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

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

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

• POCI: Purchase or Originated Credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial 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

• 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
• It is becoming probable that the borrower will enter bankruptcy
• Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

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

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

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

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

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

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

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

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

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

Collateral valuation
To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis.
To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as external valuers.

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

Write-offs
Financial assets are written off either partially or in their entirety only when the Group has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Either the counterparty can no longer pay the obligation or proceeds from the collateral will not be sufficient to pay back the exposure. As directed by CBN guideline on write-off, board approval is required before any write-off can occur. For insider-related loans, CBN approval is required. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount to derecognize the asset. The recovery department continues with recovery efforts and any subsequent recoveries are credited to credit loss expense

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

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

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

Expected credit loss on fair value through other comprehensive income securities

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

3.10 Investment properties

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

3.11 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When significant parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in the Income statement.

(b) Subsequent costs

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

(c) Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives.

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

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

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.

3.12 Leases

The Bank leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options as described in (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.

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. The weighted average lessee's incremental borrowing rate applied to the lease liabilities as at 31 December 2020 was 15.65%

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

Right of use assets

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

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

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

Short-term leases and leases of low value

The Bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. low value assets). Low-value assets are assets with lease amount of less than $5,000 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 periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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

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

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

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

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

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

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

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

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

However, the Group did not receive rent concessions in the 2020 financial year

3.13 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill 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 four and half years (4.5). Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(c) Brand, Customer Relationships and Core Deposits

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

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

3.14 Impairment of non-financial assets

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

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

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

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

3.15 Discontinued operations

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

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

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

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

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

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

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

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.

3.17 Provisions

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

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

3.18 Financial guarantees

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

3.19 Employee benefits

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

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

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

(b) Termination benefits

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

(c) Post employment defined benefit plan

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

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

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

(d) Short-term employee benefits

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

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

(e) Share-based payment remuneration scheme

The Group applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares.

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

3.20 Share capital and reserves

(a) Share issue costs

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

(b) Dividend on the Bank's ordinary shares

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

(c) Treasury shares

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

(d) Earnings per share

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

(e) Regulatory risk reserve

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

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

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

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

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

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

(f) Capital reserve

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

(g) Fair value reserve

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

(h) Foreign currency translation reserve

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

(i) Retained earnings

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

3.21 Levies

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

3.22 Derivatives and hedging activities

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

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

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

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

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

Hedge effectiveness

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

Derivatives that do not qualify for hedge accounting

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

4.0 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied judgements are:

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

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

Key sources of estimation uncertainty

(i) ***Allowances for credit losses***

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

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

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

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

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

Loans and Advances To Customers

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

On balance Sheet Exposure

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

The table below outlines the total ECL for wholesale portfolios as at 31 December 2020, if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs. An increase in Oil Price by 10% resulting in GDP increase and decrease in both inflation rate and exchange rate will lead to an improvement in asset quality by 2.12% and a reduction in impairment by 4.21%. While a drop in Oil Price by 10% leads to a drop in GDP and an increase in inflation and Exchange rate, this will result in a deterioration in asset quality by 29% and an increase in impairment by 4.48%.

	-10%	+10%
P & L Impact of change in Macroeconomic variables	-5,173,106	4,670,521

	-10%	+10%
Asset Quality Impact of change in Macroeconomic variables	29%	-2.12%

Off balance Sheet Exposure

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

The table below outlines the total ECL for wholesale off balance sheet exposures as at 31 December 2020, if the assumptions used to measure ECL remain as expected (amount as presented in the statement of financial position), as well as if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs.

	-10%	+10%
P & L Impact of change in Macroeconomic variables	-552,406	466,307

If the PDs and LGDs were increased by 2%, impairment charge would have further increased by N2.18BN but if the PDs and LGDs were decreased by 2%, there would have been a write back of impairment of N1.98BN.

	Group December 2020	Group December 2019	Group December 2020	Group December 2019
	Loans and advances to individuals		Loans and advances to corporates	
Impact on Profit before tax				
Increase in LGD and PD by 2%	(2,181,426)	(4,538,702)	(1,885,958)	(3,814,035)
Decrease in LGDs and PD by 2%	1,977,806	2,571,839	1,868,260	2,296,284
Increase in LGDs and PD by 10%	(9,979,092)	(9,906,466)	(9,603,982)	(8,743,571)
Decrease in LGDs and PD by 10%	10,237,216	17,737,650	9,161,408	14,247,109

	-10%	+10%
P & L Impact of change in Macroeconomic variables	-5,173,106	4,670,521

Statement of prudential adjustments

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

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

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

- Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".

- Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

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

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

Statement of prudential adjustments *In thousands of Naira*		**December 2020**	**December 2019**
Bank	Note		
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	22	298,622	1,361,987
- Loans to individuals	23(b)	2,831,595	4,776,944
- Loans to corporate	23(b)	116,210,945	176,222,475
Total impairment allowances on loans per IFRS		**119,341,162**	**182,361,406**
Total regulatory impairment based on prudential guidelines		**155,521,746**	**191,844,406**
Balance, beginning of the year		9,483,000	9,483,000
Additional transfers to/(from) regulatory risk reserve		26,697,585	-
Balance, end of the year		**36,180,585**	**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.

(ii) 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. 2019: 23.3%) and a cash flow growth rate of 7.095% (Dec. 2019: 7.095%) 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.

(iii) Defined benefit plan

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

(iv) Valuation technique unquoted equity:

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

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

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

Description of valuation methodology and inputs:

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

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

Step 1: Identify quoted companies with similar line of business ,structure and size

Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from Bloomberg, Reuters or Nigeria Stock Exchange

Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies

Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value or Earnings of the investment company to get the value of the investment company

Step 5: Discount the derived value of the investment company by applying an Illiquidity discount and size adjustment/haircut to obtain the Adjusted Equity Value

Step 6: Multiply the adjusted equity value by the present exchange rate for foreign currency investment

Step 7: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss

a. Enterprise Value (EV):

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

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

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

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

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

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

b. Price to Earning (P/E Ratio):

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

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

Valuation Assumptions :

i. Illiquidity discount of 25% is used to discount the value of the investments that are not tradable

ii. EPS Hair cut "emerging market" discount of 40% to take care of inflation and exchange rate impact being that the comparable companies are in foreign countries

Basis of valuation:

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

Method of Valuation

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

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

4.1 *Valuation of financial instruments*

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

4.1.1 Recurring fair value measurements

In thousands of Naira
Group
December 2020

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,783,687	-	2,783,687
Non pledged trading assets				
Treasury bills	116,036,126	-	-	116,036,126
Government Bonds	91,841,202	-	-	91,841,202
Eurobonds	-	74,615	-	74,615
Equity	-	-	-	-
Derivative financial instrument	-	251,112,744	-	251,112,744
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,604	-	-	85,006,604
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	748,230,225	-	-	748,230,225
Government Bonds	150,094,494	-	-	150,094,494
State government bonds	-	31,741,795	-	31,741,795
Corporate bonds	-	15,745,714	-	15,745,714
Eurobonds	-	22,032,870	-	22,032,870
Promissory notes	-	80,033,790	-	80,033,790
-Financial assets at FVPL				-
Equity	534,682	3,656,260	137,574,634	141,765,576
Assets held for sale	-	-	28,318,467	28,318,467
	1,205,399,371	418,423,354	172,279,565	1,796,102,291
Liabilities				
Derivative financial instrument	-	20,880,529	-	20,880,529
	-	20,880,529	-	20,880,529

Group
December 2019

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	2,054,650	-	-	2,054,650
Placements	-	-	9,779,427	9,779,427
Commercial paper	-	6,849,720	-	6,849,720
Nigerian Treasury bills	4,280,814	-	-	4,280,814
Mutual funds	-	2,889,702	-	2,889,702
Eurobonds	-	2,437,646	-	2,437,646
Non pledged trading assets				
Treasury bills	89,797,961	-	-	89,797,961
Government Bonds	40,021,277	-	-	40,021,277
Eurobonds	-	-	-	-
Equity	-	-	-	-
Derivative financial instrument	-	143,520,553	-	143,520,553
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	30,388,532	-	-	30,388,532
Government Bonds	-	-	-	-
-Financial instruments at FVPL				
Treasury bills	39,881,494	-	-	39,881,494
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	232,813,374	-	-	232,813,374
Government Bonds	64,989,934	-	-	64,989,934
State government bonds	-	6,311,454	-	6,311,454
Corporate bonds	-	7,815,595	-	7,815,595
Eurobonds	-	2,860,694	-	2,860,694
Promissory notes	-	807,619	-	807,619
-Financial assets at FVPL				
Equity	598,936	990,127	111,569,257	113,158,320
Assets held for sale	-	-	24,957,519	24,957,519
	504,826,972	174,483,110	146,306,203	825,616,285
Liabilities				
Derivative financial instrument	-	6,885,680	-	6,885,680
	-	6,885,680	-	6,885,680

Bank
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Nigerian Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,783,687	-	2,783,687
Non pledged trading assets				
Treasury bills	97,719,848	-	-	97,719,848
Government Bonds	12,488,649	-	-	12,488,649
Eurobonds	-	74,615		74,615
Equity	-	-	-	-
Derivative financial instrument	-	244,564,046	-	244,564,046
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,603	-	-	85,006,603
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	608,866,687	-	-	608,866,687
Government Bonds	44,296,019	-	-	44,296,019
State government bonds	-	31,741,795	-	31,741,794
Corporate bonds	-	15,745,714	-	15,745,714
Eurobonds	-	15,141,127	-	15,141,127
Promissory notes	-	80,033,790	-	80,033,790
-Financial assets at FVPL				
Equity	534,682	3,656,260	137,544,111	141,735,053
Asset held for sale	-	-	28,128,467	28,128,467
	862,568,526	404,982,913	172,059,042	1,439,610,480
Liabilities				
Derivative financial instrument	-	20,775,722	-	20,775,722
	-	20,775,722	-	20,775,722

Bank
December 2019
In thousands of Naira

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

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

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	723,872,820	723,872,820
Loans and advances to banks	-	-	392,821,307	392,821,307
Loans and advances to customers	-	-	3,218,107,026	3,218,107,026
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	272,033,759	5,406,240		277,439,998
Total return notes	45,527,717	-	-	45,527,716
Promissory notes	427,536	-	-	427,535
Other assets	-	-	1,522,315,074	1,522,315,074
	695,030,158	5,406,240	5,857,116,229	6,557,552,623
Liabilities				
Deposits from financial institutions	-	-	958,397,171	958,397,171
Deposits from customers	-	-	5,587,418,213	5,587,418,213
Other liabilities	-	-	356,638,122	356,638,122
Debt securities issued	169,160,058	-	-	169,160,058
Interest-bearing borrowings	-	-	791,455,237	791,455,237
	169,160,058	-	7,693,908,743	7,863,068,801

Group
December 2019
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	723,064,003	723,064,003
Loans and advances to banks	-	-	152,825,081	152,825,081
Loans and advances to customers	-	-	2,911,579,708	2,911,579,708
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	452,686,283	-	-	452,686,283
Bonds	82,599,583	-	-	82,599,583
Investment securities				-
-Financial assets at amortised cost				
Treasury bills	379,283,381	-	-	379,283,381
Bonds	256,532,576	9,746,421		266,278,996
Other assets	-	-	1,016,582,843	1,016,582,843
	1,171,101,823	**9,746,421**	**4,804,051,635**	**5,984,899,876**

	Level 1	Level 2	Level 3	Total
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**	**6,470,782,478**

Bank
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	589,812,439	589,812,439
Loans and advances to banks	-	-	231,788,276	231,788,276
Loans and advances to customers	-	-	2,818,875,731	2,818,875,731
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	244,815,922	5,406,240	-	250,222,163
Total return notes	45,527,717	-	-	45,527,717
Promissory notes	427,537	-	-	427,537
Other Assets	-	-	1,471,481,476	1,471,481,476
	625,004,936	5,406,240	5,111,957,922	5,742,369,097
Liabilities				
Deposits from financial institutions	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	-	-	322,955,917	322,955,917
Debt securities issued	169,160,058		-	169,160,058
Interest-bearing borrowings	-	-	755,254,273	755,254,273
	169,160,058	-	1,078,210,190	1,247,370,247

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	-	-	1,079,284,414	1,079,284,414
Deposits from customers	-	-	3,668,339,811	3,668,339,811
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	-	5,586,872,575	5,713,232,576

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.

4.1 ***Valuation techniques used to derive Level 2 fair values***

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

Description	Fair value at 31 December 2020	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of observable inputs to fair value
Derivative financial assets	244,564,046	Forward and swap: Fair value through market rate from a quoted market Futures: Fair value through reference market rate	Market rates from quoted market	(20,706)	(20,707)	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	20,775,722					
Investment in CSCS	5,643,750	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	5,925,938	5,361,563	The higher the share price, the higher the fair value
Nigerian Mortgage Refinance Company	323,333	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	337,052	304,952	The higher the share price, the higher the fair value

4.1 ***Valuation techniques used to derive Level 3 fair values***

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

Description	Fair value at 31 December 2020	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Fair value if unobservable inputs increased by 5%	Fair value if unobservable inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in Africa Finance Corporation	114,520,852	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	120,246,390	108,794,353	110,948,008	110,302,174	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	4,058,931	Adjusted fair value comparison approach	Median PE ratios of comparable companies	4,261,878	3,855,985	3,969,341	4,149,516	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in NIBSS	7,802,112	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	8,192,217	7,412,006	7,629,901	7,976,234	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in Afrexim	49,851	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	52,343	47,358	18,988	19,445	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in FMDQ	3,332,927	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	3,499,573	3,166,280	3,301,691	3,451,560	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	792,743	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	832,380	753,105	775,245	810,435	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
CAPITAL ALLIANCE EQUITY FUND	4,412,649	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,633,282	4,192,017	4,633,282	4,192,017	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
NG Clearing	213,223	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	223,884	202,562	196,487	198,537	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
SANEF	50,000	Adjusted fair value comparison approach	Fair value of transactions at settlement date	52,500	47,500	52,500	47,500	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value

4.1.5 Reconciliation of Level 3 Investments

The following tables presents the changes in Level 3 instruments for the year ended 31 December 2020

Financial assets at fair value through profit or loss	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Opening balance	112,559,385	98,287,042	112,527,686	97,738,061
Acquired from business combination	-	6,058,135	-	6,058,135
Total unrealised gains in P/L	28,672,684	19,799,137	28,672,684	19,799,137
Cost of Asset (Additions)	-	50,000	-	50,000
Sales	(1,175)	(11,634,929)	-	(11,117,647)
Balance, year end	**141,230,894**	**112,559,385**	**141,200,370**	**112,527,686**

Assets Held for Sale	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Opening balance	24,957,521	12,241,824	24,957,525	12,241,830
Acquired from business combination	-	-	-	-
Additions	5,370,951	14,660,697	5,180,949	14,660,695
Disposals	(2,010,000)	(1,945,000)	(2,010,000)	(1,945,000)
Balance, year end	**28,318,470**	**24,957,521**	**28,128,474**	**24,957,525**

Investment under management	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Opening balance	28,291,959	23,839,394	28,291,959	23,839,394
Additions	2,159,507	4,452,564	2,159,507	4,452,564
Balance, year end	**30,451,466**	**28,291,959**	**30,451,466**	**28,291,959**

(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.

4.3 Financial assets and liabilities

(a) Fair value measurement

Accounting classification measurement basis and fair values

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

Group **In thousands of Naira** December 2020	**Financial assets designated as FVPL**	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	708,701,735	-	-	-	708,701,735	723,872,820
Investment under management	-	-	-	30,451,466	-	-	30,451,466	30,451,466
Non pledged trading assets		-	-	-	-	-		
Treasury bills	116,036,126	-	-	-	-	-	116,036,126	116,036,126
Bonds	91,915,817	-	-	-	-	-	91,915,817	91,915,817
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	251,112,744	-	-	-	-	251,112,744	251,112,744
Loans and advances to banks	-	-	392,821,307	-	-	-	392,821,307	392,821,307
Loans and advances to customers	-	-	3,218,107,026	-	-	-	3,218,107,026	3,218,107,026
Pledged assets		-						
Treasury bills	85,006,604	-	94,446,926	999,521	-	-	180,453,051	184,103,896
Bonds	-	-	44,570,800	2,617,080	-	-	47,187,881	44,451,010
Investment securities		-						
- Financial assets at FVOCI		-						
Treasury bills	-	-	-	748,230,225	-	-	748,230,225	748,230,225
Bonds	-	-	-	219,614,874	-	-	219,614,874	219,614,874
Promissory Notes	-	-	-	80,033,790	-	-	80,033,790	80,033,790
- Financial assets at FVPL								
Equity	141,765,576	-	-	-	-	-	141,765,576	141,765,576
- Financial assets at amortised cost		-						
Treasury bills	-	-	237,319,644	-	-	-	237,319,644	237,109,445
Total Return Notes	-	-	46,304,096	-	-	-		
Bonds	-	-	288,715,163	-	-	-	288,715,163	276,839,983
Promissory Notes	-	-	427,536	-	-	-	427,536	427,536
Other assets	-	-	1,562,968,322	-	-	-	1,562,968,322	1,528,465,157
	434,724,123	**251,112,744**	**6,594,382,555**	**1,081,946,956**	**-**	**-**	**8,315,862,280**	**8,285,358,801**
Deposits from financial institutions	-	-	-	-	-	943,625,036	943,625,036	947,575,948
Deposits from customers	-	-	-	-	-	5,609,318,994	5,609,318,994	5,632,804,940
Other liabilities	-	-	-	-	-	357,424,157	357,424,157	356,638,122
Derivative financial instruments	-	-	-	-	19,088,634	-	19,088,634	20,880,529
Debt securities issued	-	-	-	-	-	169,160,059	169,160,059	180,964,594
Interest bearing borrowings	-	-	-	-	-	796,750,541	796,750,541	791,455,239
	-	**-**	**-**	**-**	**19,088,634**	**7,876,278,786**	**7,895,367,419**	**7,930,319,372**

Group
In thousands of Naira
December 2019

	Financial assets designated as FVPL	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	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
	282,859,052	**143,520,553**	**6,001,753,241**	**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**	**6,191,310,781**	**6,198,196,461**	**6,255,811,893**

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 2020**	**Financial assets designated as FVPL**	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	589,813,074	-	-	-	589,813,074	589,812,439
Investment under management	-	-	-	30,451,466	-	-	30,451,466	30,451,466
Non pledged trading assets								
Treasury bills	97,719,848	-	-	-	-	-	97,719,848	97,719,848
Bonds	12,563,265	-	-	-	-	-	12,563,265	12,563,265
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	244,564,046	-	-	-	-	244,564,046	244,564,046
Loans and advances to banks	-	-	231,788,276	-	-	-	231,788,276	231,788,276
Loans and advances to customers	-	-	2,818,875,731	-	-	-	2,818,875,731	2,818,875,731
Pledged assets								
Treasury bills	85,006,603	-	94,446,926	999,521	-	-	180,453,050	184,103,895
Bonds	-	-	44,570,800	2,617,080	-	-	47,187,881	44,451,010
Investment securities								
- Financial assets at FVOCI								
Treasury bills	-	-	-	608,866,687	-	-	608,866,687	608,866,687
Bonds	-	-	-	106,924,656	-	-	106,924,656	106,924,656
Promissory Notes	-	-	-	80,033,790	-	-	80,033,790	80,033,790
- Financial assets at FVPL								
Equity	141,735,053	-	-	-	-	-	141,735,053	141,735,053
- Financial assets at amortised cost								
Treasury bills	-	-	194,543,388	-	-	-	194,543,388	194,302,056
Total Return Notes								
Bonds	-	-	246,498,486	-	-	-	246,498,486	250,772,348
Promissory Notes	-	-	427,536	-	-	-	427,536	427,537
Other assets	-	-	1,509,545,978	-	-	-	1,509,545,978	1,477,457,038
	337,024,768	**244,564,046**	**5,730,510,196**	**829,893,200**	**-**	**-**	**7,141,992,211**	**7,114,849,141**
Deposits from financial institutions	-	-	-	-	-	831,632,332	831,632,332	835,114,336
Deposits from customers	-	-	-	-	-	4,854,898,947	4,854,898,947	4,875,226,175
Other liabilities	-	-	-	-	-	322,955,917	322,955,917	322,955,917
Derivative financial instruments	-	-	-	-	18,984,263	-	18,984,263	20,775,722
Debt securities issued	-	-	-	-	-	169,160,059	169,160,059	180,964,594
Interest bearing borrowings	-	-	-	-	-	760,275,225	760,275,225	755,254,273
	-	**-**	**-**	**-**	**18,984,263**	**6,938,922,480**	**6,957,906,744**	**6,990,291,016**

Bank
In thousands of Naira
December 2019

	Financial assets designated as FVPL	Financial assets mandatorily measured through FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Financial liabilities mandatorily measured through FVPL	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	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
	116,853,255	**143,480,073**	**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**	**5,460,856,694**	**5,455,834,848**

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

CREDIT RISK MANAGEMENT

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

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

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

PRINCIPAL CREDIT POLICIES

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

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

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

RESPONSIBILITIES OF BUSINESS UNITS AND INDEPENDENT CREDIT RISK MANAGEMENT

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

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

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

CREDIT PROCESS

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

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

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

Risk Rating Scale and external rating equivalence

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

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

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

TRAINING / CERTIFICATION

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

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

CREDIT OFFICER RISK RATING

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

CREDIT RISK CONTROL AND MITIGATION

AUTHORITY LIMITS ON CREDIT

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

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

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

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

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

COLLATERAL POLICIES

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

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

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

The range of collaterals acceptable to the Bank include:

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

OPERATIONAL RISK MANAGEMENT

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

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

This framework includes:

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

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

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

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

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

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

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

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

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

ALLOCATING CAPITAL TO BUSINESS UNITS

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

INSURANCE MITIGATION

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

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

MARKET RISK MANAGEMENT

The Bank's capital and earnings are exposed to risk due to adverse changes in market prices. 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 exposure to these risks through our trading and banking book positions are kept within the Bank's defined risk appetite and tolerance.

MARKET RISK POLICY MANAGEMENT AND CONTROL

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

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

Liquidity, Exchange Rate, and Interest Rate risks are managed through various approaches, viz. Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Liquidity Ratios, 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 manage interest rate mismatch and lower interest rate risk over an interest rate cycle. This is achieved by hedging material exposures with the external market.

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

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

ii. EARNINGS-AT-RISK APPROACH

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

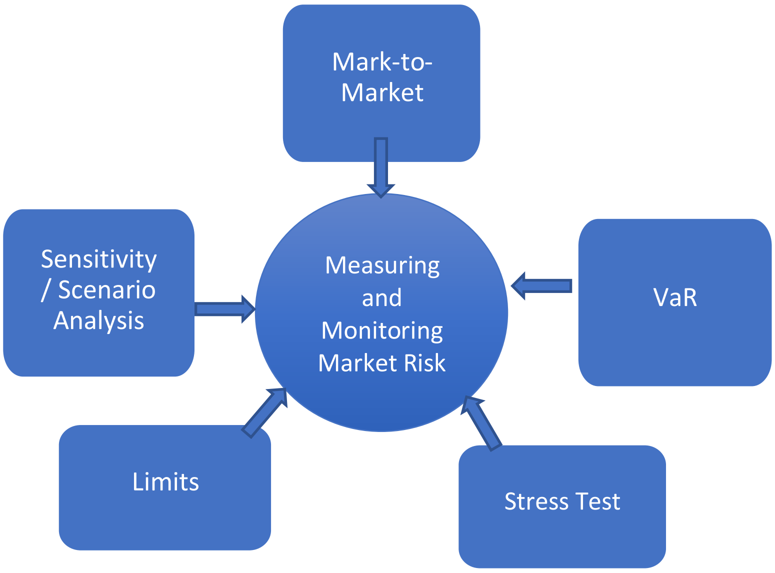
The Bank has limits drawn for this risk measure. They are designed to monitor and control the risk to our projected earnings using various rate scenarios and assumptions. The limit is expressed as a change in projected earnings over a specified time horizon and rate scenario. Scenarios adopted by the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

iii. SENSITIVITY ANALYSIS

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

TRADING PORTFOLIO

The measurement and control techniques used to measure, and control traded market risk (interest rate and foreign exchange risk) include daily valuation of positions, limit monitoring, gap analysis, sensitivity analysis, 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 controls risk and capital consumption. The following limits currently exist;

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

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

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

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

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

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

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 classes in its investment/trading portfolio.

MARK TO MARKET (MTM)

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

STRESS TESTING

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

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

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

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

CONTINGENCY FUNDING PLAN

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

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

CAPITAL RISK MANAGEMENT

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

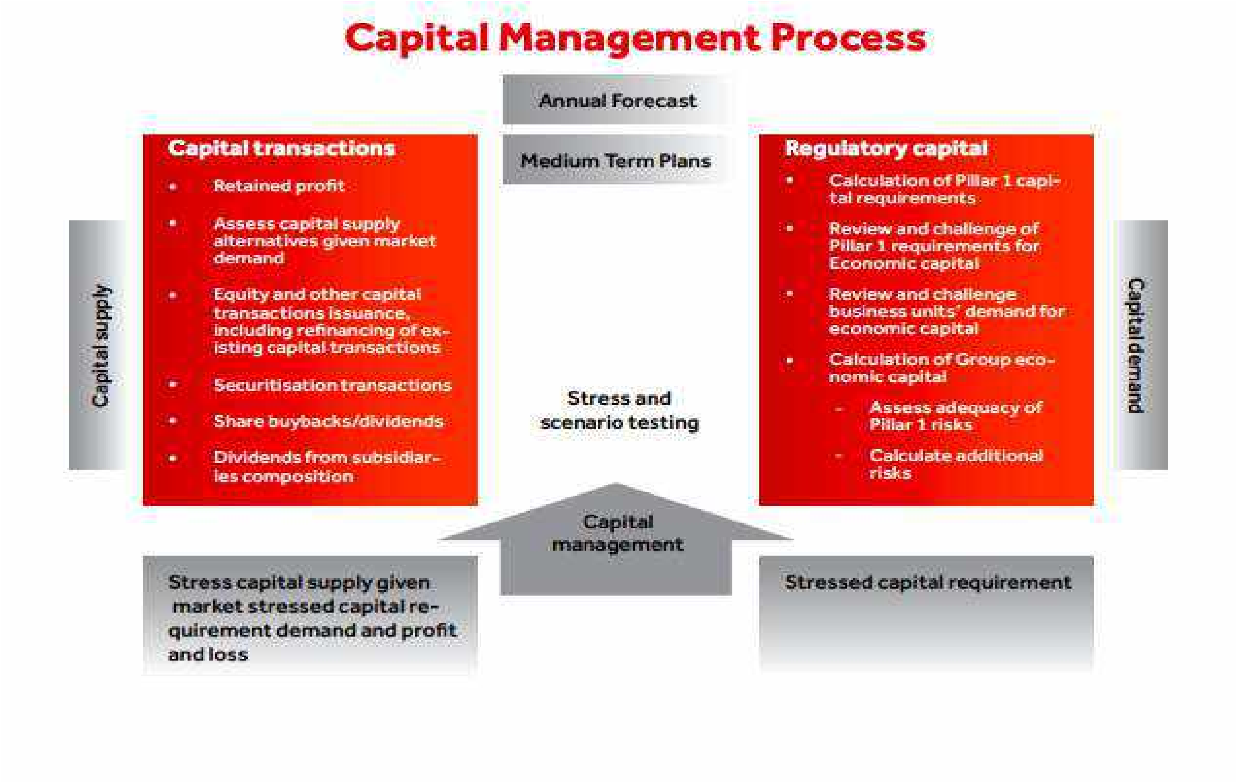
Capital management objectives:

The Group has several capital management objectives:

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

CAPITAL MANAGEMENT STRATEGY:

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



IMPORTANCE OF CAPITAL MANAGEMENT

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

ENTERPRISE-WIDE SCENARIO AND STRESS TESTING

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

COMPLIANCE RISK MANAGEMENT

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

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

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

MEASUREMENT, MONITORING AND MANAGEMENT OF COMPLIANCE RISK

In Access Bank, compliance risk is continually:

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

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

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

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

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

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

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

INFORMATION AND CYBERSECURITY RISK MANAGEMENT

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

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

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

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

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

The Bank has long recognized the requirement to transition to a more structured and conscientious approach to environmental and social concerns, and the increasing role that they play in the future direction of the institution. Fundamental changes to the way decisions are made across the bank coupled with Executive Management support to underpin this development has been crucial. Appreciating and recognizing the requirements of both our regulatory and investment partners has been critical in our decision making.

ENVIRONMENTAL AND SOCIAL RISK STRATEGY

We understand the need to achieve the goals of the Paris Agreement on Co2 emissions reductions coupled with our wider environmental ambitions and appreciate that environmental issues represent a risk for Access Bank. Recognizing such, we have refined our strategy further to accommodate climate change challenges. We have achieved this with a robust governance framework of policies and procedures and the incorporation of environmental concerns into our automated credit review process. The Bank also has a dedicated team of professionals focused solely on delivering both environmental and social risk management for the bank.

The continuous evolution of our Environmental Social and Governance (ESG) systems has ensured that we incessantly push towards attaining a more sophisticated risk management structure.

The issuance of the first climate certified corporate green bond in Sub Saharan Africa last year, which has also been listed as a non-traded instrument on the Luxembourg Stock Exchange in the first quarter of 2020, is evident of the Bank's continuous push in the direction of sustainability.

Access Bank has also attracted increased international and domestic investment partnerships with Development Financial Institutions for ESG targeted lending. Our subsidiaries have also benefited from these partnerships, these projects have a strong emphasis on social and environmental impact.

With the increasing awareness around financed fossil fuel emissions and impact of climate change potential within our portfolio, we have made strides towards understanding these potential exposures, their implications and any mitigating measures which can be incorporated by the bank.

Recognizing these challenges has also led the Bank to become core participating member of internationally recognized climate groups. They include:

1. **UNEP FI's Taskforce on Climate related Financial Disclosures (TCFD)** which is globally adopted by Banks, Insurance companies, etc. is aimed at identifying and manage the impact of climate risks in the portfolio of Financial Institutions. Access Bank became a member of the working group in 2019.
2. **Partnership for Carbon Accounting Financials (PCAF)** is a global partnership aimed at harmonizing the approach in accessing and disclosing greenhouse gas (GHG) emissions associated with loans and investment. Access Bank became a member of the steering group in June 2020.

REPUTATIONAL RISK MANAGEMENT

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

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

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

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

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

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

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

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

COMPILATION OF TRIGGER EVENTS

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

Risk Drivers	Trigger Events
Corporate governance and leadership	• Corporate frauds and scandals; • Association with dishonest and disreputable characters as directors, management • Association with politically exposed persons • Incidence of shareholders conflict and Board Instability.
Regulatory Compliance	• Non-Compliance with laws and regulation; • Non-submission of Regulatory returns
Delivering customer promise	• Security Failure • Shortfall in quality of service/fair treatment; • Bad behavior by employees
Workplace talent and culture	• Unfair employment practices • Not addressing employee grievances • Uncompetitive remuneration
Corporate social responsibility	• Lack of community development initiatives
Corporate Culture	• Lack of appropriate culture to support the achievement of business objective. • Ineffective risk management practices. • Unethical behaviors on the part of staff and management. • Lack of appropriate structure for employees to voice their concerns
Risk Management and Control	• Inadequate Risk Management and Control environment

Environment	• Continuous violations of existing policies and procedures
Financial Soundness and Business viability	• Consistent poor financial performance • Substantial losses from unsuccessful • Investment
Crisis Management	• Inadequate response to a crisis or even a minor incident

APPROACH TO MANAGING REPUTATION RISK EVENTS

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

POST REPUTATION EVENT REVIEWS

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

STRATEGIC RISK MANAGEMENT

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

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

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

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

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

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

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

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

ECONOMIC INTELLIGENCE

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

Some of the Unit's Roles and Responsibilities include:

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

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

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

5.1 Credit risk management

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

Credit risk exposures relating to financial assets are as follows:

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Cash and balances with banks				
- Current balances with banks	60,388,887	148,366,809	43,353,005	62,064,776
- Unrestricted balances with central banks	51,127,105	117,883,814	13,639,189	97,734,073
- Money market placements	89,783,183	48,838,459	40,095,277	32,822,516
- Other deposits with central banks	46,459,022	99,347,553	46,459,022	99,347,553
Investment under management	30,451,466	28,291,959	30,451,466	28,291,959
Non pledged trading assets				
Treasury bills	116,036,126	89,797,961	97,719,848	74,749,344
Bonds	91,915,817	40,021,277	12,563,265	2,222,417
Derivative financial instruments	251,112,744	143,520,553	244,564,046	143,480,073
Loans and advances to banks	392,821,307	152,825,081	231,788,276	164,413,001
Loans and advances to customers	3,218,107,026	2,911,579,708	2,818,875,731	2,481,623,671
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	30,388,532	999,521	30,388,532
Bonds	2,617,080	-	2,617,080	-
-Financial instruments at amortized cost				
Treasury bills	98,097,771	452,686,283	98,097,771	452,686,282
Bonds	41,833,930	82,599,583	41,833,930	82,599,583
-Financial instruments at FVPL				
Treasury bills	85,006,604	39,881,494	85,006,603	39,881,494
Bonds	-	-	-	-
Investment securities				
-Financial instruments at FVOCI				
Treasury bills	748,230,225	232,813,374	608,866,687	77,897,548
Bonds	150,094,494	64,989,934	106,924,656	4,823,398
Promissory notes	80,033,790	807,619	80,033,790	807,619
- Financial assets at amortised cost				
Treasury bills	237,109,445	379,283,381	194,302,056	341,786,029
Total Return notes	45,527,717	-	45,527,717	-
Bonds	277,867,536	277,123,038	251,199,886	261,672,875
Promissory notes	427,536	10,844,042	427,537	10,844,042
Restricted deposit and other assets	1,522,315,074	1,016,582,843	1,471,481,476	968,698,629
Total	**7,638,363,408**	**6,368,473,298**	**6,566,827,838**	**5,458,835,413**
Off balance sheet exposures				
Transaction related bonds and guarantees	378,808,847	477,932,817	335,064,193	451,514,549
Guaranteed facilities	-	-	-	-
Clean line facilities for letters of credit and other commitments	445,538,945	419,584,999	341,751,564	324,529,363
Total	**824,347,792**	**897,517,816**	**676,815,757**	**776,043,912**

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 2020 and 31 December 2019, 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 2020	Group December 2019	Bank December 2020	Bank December 2019
Agriculture	46,604,769	33,345,655	38,449,759	31,591,359
Construction	281,672,508	219,709,444	251,924,604	190,749,900
Education	6,646,081	1,672,612	6,646,081	1,672,612
Finance and insurance	64,194,208	42,268,668	51,938,634	35,603,293
General	199,551,076	162,271,569	182,981,897	141,416,749
General commerce	334,621,407	360,173,840	250,551,200	301,611,261
Government	233,659,985	222,679,198	219,321,675	197,097,269
Information And communication	166,886,229	150,342,607	159,818,167	146,599,122
Other manufacturing (Industries)	110,756,615	96,217,261	77,253,248	55,346,512
Basic metal Products	46,576,673	44,740,231	46,576,673	44,740,231
Cement	42,615,921	33,722,220	42,615,921	33,722,220
Conglomerate	112,880,586	79,971,726	112,880,586	79,971,726
Flourmills And bakeries	9,061	13,304,974	9,061	13,304,974
Food manufacturing	180,995,777	145,705,898	103,153,650	61,926,991
Steel rolling mills	86,001,404	116,073,823	86,001,404	116,073,823
Oil And Gas - downstream	136,630,374	148,711,765	124,484,023	134,328,441
Oil And Gas - services	593,061,790	480,719,449	559,533,809	438,926,954
Oil And Gas - upstream	228,927,446	240,938,354	226,906,782	239,917,864
Crude oil refining	15,351,429	45,851,377	15,351,429	45,851,377
Real estate activities	250,514,207	241,219,354	237,604,450	223,961,036
Transportation and storage	116,635,755	99,158,890	95,128,955	79,289,024
Power and energy	25,236,558	25,424,378	24,577,896	24,135,507
Professional, scientific and technical activities	1,909,503	2,710,129	1,909,503	2,710,129
Others	85,221,902	96,037,024	22,298,865	22,074,716
	3,367,161,264	**3,102,970,447**	**2,937,918,270**	**2,662,623,090**

1.3(a) Group
December 2020
Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	186,055,014	12,890,519	-	198,945,533	629,734	431,507	-	1,061,241	197,884,292
Non-Investment	-	400,171	9,958,273	10,358,444	-	329,538	2,621,276	2,950,813	7,407,631

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,521,827,027	69,704,614	-	1,591,531,641	15,886,487	4,326,734	-	20,213,222	1,571,318,419
Standard grade	1,024,263,227	380,763,903	-	1,405,027,131	16,103,406	45,509,751	-	61,613,156	1,343,413,975
Non-Investment	-	10,154,033	151,144,481	161,298,514	-	8,394,219	54,821,587	63,215,805	98,082,709

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	393,326,719	-	-	393,326,719	599,195	-	-	599,195	392,727,523
Standard grade	6,411	-	-	6,411	188	-	-	188	6,224
Non-Investment	-	-	140,061	140,061	-	-	52,501	52,501	87,560

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	392,519,731	-	-	392,519,731	245,291	-	-	245,291	392,274,441
Standard grade	413,915,207	16,631,872	-	430,547,079	2,409,584	43,489	-	2,453,073	428,094,007
Non-Investment	40,832	1,240,150	-	1,280,983	705	40,966	-	41,671	1,239,312

Investment securities

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	370,970,748	-	-	370,970,748	55,878	-	-	55,878	370,914,870
Standard grade	1,229,097,842	-	472,288	1,229,570,130	344,654	-	472,288	816,941	1,228,753,188
Non-Investment	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202

Money market placements

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

1.3(b) Bank
December 2020
Credit quality by class

Loans to retail customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	-	-	-	-	-	-	-	-	-
Standard grade	87,793,354	12,890,519	-	100,683,873	569,711	431,507	-	1,001,218	99,682,655
Non-Investment	-	64,145	7,998,975	8,063,121	-	9,413	1,820,964	1,830,375	6,232,745

Loans to corporate customers

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,437,096,178	69,704,614	-	1,506,800,792	15,498,335	4,326,734	-	19,825,069	1,486,975,722
Standard grade	831,221,838	380,763,903	-	1,211,985,741	14,550,801	45,509,751	-	60,060,552	1,151,925,191
Non-Investment	-	2,700,464	107,684,279	110,384,743	-	711,224	35,614,100	36,325,324	74,059,419

Loans and advances to banks

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	231,940,426	-	-	231,940,426	245,933	-	-	245,933	231,694,492
Standard grade	6,411	-	-	6,411	188	-	-	188	6,224
Non-Investment	-	-	140,061	140,061	-	-	52,501	52,501	87,560

Off balance sheet

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	348,260,121	-	-	348,260,121	245,291	-	-	245,291	348,014,830
Standard grade	325,395,986	1,878,669	-	327,274,655	2,288,632	43,489	-	2,332,121	324,942,533
Non-Investment	40,832	1,240,150	-	1,280,983	705	40,966	-	41,671	1,239,311

Investment securities

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

Money market placements

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

.1.3(a) Group
December 2019
Credit quality by cla

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	-	199,154,598	712,723	642,546	-	1,355,269	197,799,329
Non-Investment	-	4,711,282	5,980,095	10,691,377	-	581,220	3,239,997	3,821,217	6,870,160

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	-	989,735,614	1,918,337	27,033,881	-	28,952,218	960,783,396
Standard grade	1,050,827,640	405,723,677	-	1,456,551,317	18,790,398	32,848,728	-	51,639,126	1,404,912,191
Non-Investment	-	266,522,021	180,315,519	446,837,540	-	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	1,260,637	8,393,111

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	-	-	-	-	-	-	-	-	-

.1.3(b) Bank
December 2019
Credit quality by cla

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	-	-	-	-	-	-	-	-	-

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

Group

In thousands of Naira
December 2020

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	475,341	13,094	-	488,434	1,522	98	-	1,620	486,814
BB	Standard	3	181,334,482	12,460,551	-	193,795,032	493,605	424,015	-	917,619	192,877,413
BB-	Standard	3-	4,245,191	416,875	-	4,662,066	134,607	7,394	-	142,001	4,520,065
B	Non-Investment	4	-	54,324	-	54,324	-	9,381	-	9,381	44,943
B-	Non-Investment	5	-	345,847	-	345,847	-	320,157	-	320,157	25,693
CCC	Non-Investment	6	-	-	6,888,825	6,888,825	-	-	2,012,556	2,012,556	4,876,270
C	Non-Investment	7	-	-	471,346	471,346	-	-	96,965	96,965	374,381
D	Non-Investment	8	-	-	2,598,102	2,598,102	-	-	511,755	511,755	2,086,348
Carrying amount			**186,055,014**	**13,290,692**	**9,958,274**	**209,303,978**	**629,734**	**761,045**	**2,621,276**	**4,012,054**	**205,291,927**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	143,495,419	-	-	143,495,419	214,971	-	-	214,971	143,280,448
AA	Investment	2+	280,976,157	43,530,087	-	324,506,243	455,065	3,606,001	-	4,061,066	320,445,177
A	Investment	2	346,719,174	24,810,840	-	371,530,013	2,785,685	646,770	-	3,432,455	368,097,558
BBB	Investment	2-	750,636,277	1,363,688	-	751,999,964	13,595,219	73,963	-	13,669,182	738,330,782
BB+	Standard	3+	290,256,529	12,174,547	-	302,431,076	1,889,266	2,082,846	-	3,972,112	298,458,964
BB	Standard	3	631,194,806	307,585,837	-	938,780,644	7,404,751	37,547,266	-	44,952,018	893,828,626
BB-	Standard	3-	102,811,892	61,003,519	-	163,815,410	5,644,935	5,879,639	-	11,524,573	152,290,838
B	Non-Investment	4	-	1,426,987	-	1,426,987	-	395,965	-	395,965	1,031,022
B-	Non-Investment	5	-	8,727,046	-	8,727,046	-	7,998,254	-	7,998,254	728,793
CCC	Non-Investment	6	-	-	60,471,259	60,471,259	-	-	22,785,822	22,785,822	37,685,437
C	Non-Investment	7	-	-	81,073,585	81,073,585	-	-	29,945,749	29,945,749	51,127,837
D	Non-Investment	8	-	-	9,599,636	9,599,636	-	-	2,090,016	2,090,016	7,509,620
			2,546,090,254	**460,622,552**	**151,144,481**	**3,157,857,284**	**31,989,892**	**58,230,704**	**54,821,586**	**145,042,182**	**3,012,815,101**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	393,326,719	-	-	393,326,719	599,195	-	-	599,195	392,727,523
AA	Investment	2+	-	-	-	-	-	-	-	-	-
A	Investment	2	-	-	-	-	-	-	-	-	-
BBB	Investment	2-	-	-	-	-	-	-	-	-	-
BB+	Standard	3+	-	-	-	-	-	-	-	-	-
BB	Standard	3	6,411	-	-	6,411	188	-	-	188	6,224
BB-	Standard	3-	-	-	-	-	-	-	-	-	-
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
B-	Non-Investment	5	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	-	-	-	-	-	-	-
C	Non-Investment	7	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	140,061	140,061	-	-	52,501	52,501	87,560
			393,333,130	**-**	**140,061**	**393,473,191**	**599,383**	**-**	**52,501**	**651,884**	**392,821,308**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	319,754,160	-	-	319,754,160	54,518	-	-	54,518	319,699,641
A	Investment	2	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,228
BB	Standard	3	1,229,097,842	-	-	1,229,097,842	344,654	-	-	344,654	1,228,753,188
B	Non-Investment	4	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202
B-	Non-Investment	5	-			-				-	-
CCC	Non-Investment	6	-	-	472,288	472,288	-	-	472,288	472,288	-
C	Non-Investment	7	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	-	-	-	-	472,288	-	-
			1,606,136,665	**-**	**472,288**	**1,606,608,953**	**490,405**	**-**	**944,575**	**962,692**	**1,605,646,258**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2020	Fair Value December 2020
AAA-A	Investment	1	1,193,683,908	234,393,567
A	Investment	2	115,473,350	(6,548,527)
AA	Investment	2+	46,562,406	(1,127,670)
BBB	Investment	2-	17,697,777	903,439
BB+	Standard	3+	20,801,337	1,657,656
BB	Standard	3	17,143,647	863,634
BB-	Standard	3-	-	-
Gross amount			**1,433,825,701**	**230,492,192**

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

Bank
December 2020
In thousands of Naira

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	475,341	13,094	-	488,434	1,522	98	-	1,620	486,814
BB	Standard	3	83,072,822	12,460,551	-	95,533,373	433,582	424,015	-	857,597	94,675,777
BB-	Standard	3-	4,245,191	416,875	-	4,662,066	134,607	7,394	-	142,000	4,520,065
B	Non-Investment	4	-	54,324	-	54,324	-	9,381	-	9,381	44,945
B-	Non-Investment	5	-	9,821	-	9,821	-	32	-	32	9,790
CCC	Non-Investment	6	-	-	4,929,527	4,929,527	-	-	1,212,244	1,212,244	3,717,282
C	Non-Investment	7	-	-	471,346	471,346	-	-	96,965	96,965	374,381
D	Non-Investment	8	-	-	2,598,102	2,598,102	-	-	511,755	511,755	2,086,348
Carrying amount			**87,793,355**	**12,954,665**	**7,998,975**	**#VALUE!**	**569,711**	**440,919**	**1,820,964**	**#VALUE!**	**#VALUE!**

Loans and advances to corporate customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	143,495,419	-	-	143,495,419	214,971	-	-	214,971	143,280,449
AA	Investment	2+	280,976,157	43,530,087	-	324,506,243	455,065	3,606,001	-	4,061,066	320,445,177
A	Investment	2	261,988,325	24,810,840	-	286,799,165	1,233,080	646,770	-	1,879,851	284,919,314
BBB	Investment	2-	750,636,277	1,363,688	-	751,999,964	13,595,219	73,963	-	13,669,182	738,330,782
BB+	Standard	3+	290,256,529	12,174,547	-	302,431,076	1,889,266	2,082,846	-	3,972,112	298,458,965
BB	Standard	3	438,153,417	307,585,837	-	745,739,254	7,016,600	37,547,266	-	44,563,866	701,175,387
BB-	Standard	3-	102,811,892	61,003,519	-	163,815,412	5,644,935	5,879,639	-	11,524,573	152,290,840
B	Non-Investment	4	-	1,426,987	-	1,426,987	-	395,965	-	395,965	1,031,022
B-	Non-Investment	5	-	1,273,477	-	1,273,477	-	315,259	-	315,259	958,218
CCC	Non-Investment	6	-	-	17,011,057	17,011,057	-	-	3,578,335	3,578,335	13,432,723
C	Non-Investment	7	-	-	81,073,585	81,073,585	-	-	29,945,749	29,945,749	51,127,837
D	Non-Investment	8	-	-	9,599,636	9,599,636	-	-	2,090,016	2,090,016	7,509,620
			2,268,318,016	**453,168,982**	**107,684,279**	**2,829,171,276**	**30,049,136**	**50,547,710**	**35,614,100**	**116,210,946**	**2,712,960,330**

Loans and advances to banks

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	231,940,426	-	-	231,940,426	245,933	-	-	245,933	231,694,492
AA	Investment	2+	-	-	-	-	-	-	-	-	-
A	Investment	2	-	-	-	-	-	-	-	-	-
BB	Standard	3	6,411	-	-	6,411	188	-	-	188	6,224
B	Non-Investment	4	-	-	-	-	-	-	-	-	-
D	Non-Investment	8	-	-	140,061	140,061	-	-	52,501	52,501	87,560.28
			231,946,837	**-**	**140,062**	**232,086,898**	**246,121**	**-**	**52,501**	**298,622**	**231,788,277**

Investment securities

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
A	Investment	2	51,216,589	-	-	51,216,589	1,360	-	-	1,360	51,215,228
BB	Standard	3	1,229,097,842	-	-	1,229,097,842	344,654	-	-	344,654	1,228,753,188
B	Non-Investment	4	6,068,075	-	-	6,068,075	89,873	-	-	89,873	5,978,202
CCC	Non-Investment	6	-	-	472,288	472,288	-	-	472,288	472,288	-
			1,286,382,505	**-**	**472,288**	**1,286,854,794**	**435,887**	**-**	**472,288**	**908,175**	**1,285,946,618**

Derivative Financial Instruments

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

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

5.1 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	-	195,988,454	640,016	479,342	-	1,119,358	194,869,095
BB-	Standard	3-	1,895,304	299,693	-	2,194,997	67,312	163,204	-	230,516	1,964,482
B	Non-Investment	4	-	3,861,882	-	3,861,882	-	234,704	-	234,704	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	1,323,446
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**	**6,354,561**	**5,980,095**	**209,845,976**	**712,723**	**1,223,766**	**3,239,997**	**5,176,485**	**204,669,491**

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	141,885,467
AA	Investment	2+	283,074,454	37,790,380	-	320,864,834	1,181,275	1,932,467	-	3,113,742	317,751,092
A	Investment	2	245,094,727	38,680,332	-	283,775,059	1,917,123	1,464,687	-	3,381,810	280,393,250
BBB	Investment	2-	45,527,531	197,664,120	-	243,191,651	193,679	23,636,727	-	23,830,406	219,361,246
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	-	190,250,575	1,720,078	14,352,436	-	16,072,514	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	113,495,957	-	26,880,739	-	26,880,739	86,615,220
CCC	Non-Investment	6	-	-	33,482,272	33,482,272	-	-	16,906,199	16,906,199	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	15,527,324
			1,766,428,422	**946,380,531**	**180,315,519**	**2,893,124,469**	**20,708,736**	**109,914,847**	**55,590,669**	**186,214,251**	**2,706,910,222**

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	151,191,706
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	752,683
D	Non-Investment	8	-	-	104,694	104,694	-	-	45,541	45,541	59,153
			152,283,368	**-**	**2,166,837**	**154,450,205**	**270,122**	**-**	**1,355,001**	**1,625,123**	**152,825,082**

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	11,833,011
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	963,454
			971,494,927	**47,632**	**462,530**	**972,005,089**	**205,911**	**1,879**	**462,530**	**670,320**	**971,334,769**

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**	**136,634,871**

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	-	1,039,449	81,756,716
BB-	Standard	3-	1,895,304	299,693	-	2,194,997	67,312	163,204	-	230,516	1,964,481
B	Non-Investment	4	-	3,861,882	-	3,861,882	-	128,159	-	128,157	3,733,725
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			**84,319,032**	**6,172,431**	**5,524,770**	**96,016,233**	**632,814**	**1,117,221**	**3,026,908**	**4,776,941**	**91,239,291**

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	141,885,467
AA	Investment	2+	283,074,454	37,790,380	-	320,864,834	1,181,275	1,932,467	-	3,113,742	317,751,090
A	Investment	2	125,402,954	38,680,332	-	164,083,286	60,667	1,464,687	-	1,525,354	162,557,932
BBB	Investment	2-	45,527,531	197,664,120	-	243,191,651	193,679	23,636,727	-	23,830,406	219,361,246
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	-	767,220,215	13,998,730	15,952,726	-	29,951,456	737,268,760
BB-	Standard	3-	84,144,148	106,106,427	-	190,250,575	1,720,078	14,352,436	-	16,072,514	174,178,059
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	33,482,272	-	-	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	15,527,324
			1,461,556,370	**940,196,084**	**164,854,403**	**2,566,606,857**	**18,388,168**	**107,357,778**	**50,476,531**	**176,222,477**	**2,390,384,380**

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	752,683
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**	**164,413,001**

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

Group
In thousands of Naira

December 2020	**Total**	**Grade 1-3**	**Grade 4-5**	**Grade 6**	**Grade 7**	**Grade 8**
Cash and balances with banks						
Current balances with banks	60,388,887	60,388,887	-	-	-	-
Unrestricted balances with central banks	51,127,105	51,127,105	-	-	-	-
Money market placements	76,658,240	68,639,186	8,019,055			
Other deposits with central banks	46,459,022	46,459,022				
Investment under management	30,451,466	30,451,466	-	-	-	-
Non-pledged trading assets						
Treasury bills	116,036,126	116,036,126	-	-	-	-
Bonds	91,915,817	91,915,817	-	-	-	-
Derivative financial instruments	251,112,744	251,112,744	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080				
-Financial instruments at amortized cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	85,006,604	85,006,604	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial instruments at FVOCI						
Treasury bills	748,230,225	748,230,225	-	-	-	-
Bonds	218,849,603	213,854,602	4,995,001	-	-	-
Promissory Notes	80,033,790	80,033,790	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	237,078,312	237,078,312	-	-	-	-
Bonds	276,469,444	274,924,083	1,073,074	472,288	-	-
Total return notes	45,527,717	45,527,717	-	-	-	-
Promissory Notes	427,536	427,536	-	-	-	-
Restricted deposit and other assets	1,522,315,074	1,522,315,074	-	-	-	-
	4,081,636,014	**4,067,076,600**	**14,087,129**	**472,288**	**-**	**-**

The rating here represents the staging for the loans. These are the internal ratings of the bank. 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 2019	**Total**	**Grade 1-3**	**Grade 4-5**	**Grade 6**	**Grade 7**	**Grade 8**
Cash and balances with banks						
Current balances with banks	148,366,809	148,366,809	-	-	-	-
Restricted deposits with central banks	-	-	-	-	-	-
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						
-Financial assets at FVOCI						
Treasury bills	232,813,374	232,813,374	-	-	-	-
Bonds	81,977,676	76,123,308	5,854,368	-	-	-
Promissory Notes	807,619	807,619				
- Financial assets at amortised cost						
Treasury bills	2,727,258	2,727,258	-	-	-	-
Bonds	6,240,386	6,240,386	-	-	-	-
Promissory Notes	10,844,042	10,844,042				
Restricted deposit and other assets	1,016,582,843	1,016,582,843	-	-	-	-
	2,673,617,475	**2,667,763,107**	**5,854,368**	**-**	**-**	**-**

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

Bank
In thousands of Naira
December 2020

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	43,353,005	43,353,005	-	-	-	-
Unrestricted balances with central banks	13,639,189	13,639,189	-	-	-	-
Money market placements	40,095,277	32,076,223	8,019,055	-	-	-
Other deposits with central banks	46,459,022	46,459,022	-	-	-	-
Investment under management	30,451,466	30,451,466	-	-	-	-
Non-pledged trading assets						
Treasury bills	97,719,848	97,719,848	-	-	-	-
Bonds	12,563,265	12,563,265	-	-	-	-
Derivative financial instruments	244,564,046	244,564,046	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080				
-Financial instruments at amortized cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	608,866,687	-	-	-	-
Bonds	106,924,656	101,929,655	4,995,001	-	-	-
Promissory Notes	80,033,790	80,033,790	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	194,302,056	194,302,056	-	-	-	-
Bonds	250,772,348	249,226,987	1,073,074	472,288	-	-
Total return notes	45,527,717	45,527,717	-	-	-	-
Promissory Notes	427,537	427,537	-	-	-	-
Restricted deposit and other assets	1,471,481,476	1,471,481,476	-	-	-	-
	3,515,736,289	**3,501,176,874**	**14,087,129**	**472,288**	**-**	**-**

The rating here represents the staging for the loans. These are the internal ratings of the bank. 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 2019

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	62,064,776	62,064,776	-	-	-	-
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	-	-	-	-
Promissory Notes	807,619	807,619				
- Financial assets at amortised cost						
Treasury bills	341,786,029	341,786,029	-	-	-	-
Bonds	250,828,832	250,828,832	-	-	-	-
Promissory Notes	10,844,042	10,844,042				
Restricted deposit and other assets	968,698,629	968,698,629	-	-	-	-
	2,816,081,746	**2,816,081,746**	**-**	**-**	**-**	**-**

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

Bank
In thousands of Naira
December 2020

	Total	Grade 1-3	Grade 4-5	Grade 6	Grade 7	Grade 8
Cash and balances with banks						
Current balances with banks	467,086,329	467,086,329	-	-	-	-
Unrestricted balances with central banks	13,639,189	13,639,189	-	-	-	-
Money market placements	40,095,277	32,076,223	8,019,055	-	-	-
Other deposits with central banks	46,459,022	46,459,022	-	-	-	-
Investment under management	30,451,466	30,451,466	-	-	-	-
Non-pledged trading assets						
Treasury bills	97,719,848	97,719,848	-	-	-	-
Bonds	12,563,265	12,563,265	-	-	-	-
Derivative financial instruments	244,564,046	244,564,046	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080				
-Financial instruments at amortized cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	608,866,687	-	-	-	-
Bonds	106,924,656	101,929,655	4,995,001	-	-	-
Promissory Notes	80,033,790	80,033,790	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	194,302,056	194,302,056	-	-	-	-
Bonds	250,772,348	249,226,987	1,073,074	472,288	-	-
Total return notes	45,527,717	45,527,717	-	-	-	-
Promissory Notes	427,537	427,537	-	-	-	-
Restricted deposit and other assets	1,471,481,476	1,471,481,476	-	-	-	-
	3,939,469,613	**3,924,910,198**	**14,087,129**	**472,288**	**-**	**-**

The rating here represents the staging for the loans. These are the internal ratings of the bank. 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 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	-	-	-	-
Promissory Notes	807,619	807,619				
- Financial assets at amortised cost						
Treasury bills	341,786,029	341,786,029	-	-	-	-
Bonds	250,828,832	250,828,832	-	-	-	-
Promissory Notes	10,844,042	10,844,042				
Restricted deposit and other assets	968,698,629	968,698,629	-	-	-	-
	3,075,287,778	**3,075,287,778**	**-**	**-**	**-**	**-**

5.1.3 Credit quality
(e) Credit quality by staging

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

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	11,915,759	145,912	69,602	12,131,274	14,642	1,534	17,738	33,914	12,097,359
Credit Card	19,646,977	3,770,508	391,463	23,808,948	33,798	287,593	107,570	428,961	23,379,987
Finance Lease	1,109,055	328,230	144,451	1,581,736	6,040	3,889	37,098	47,028	1,534,708
Mortgage Loan	71,150,409	426,442	364,098	71,940,949	51,007	20,260	92,406	163,672	71,777,278
Overdraft	5,608,133	3,823,805	3,171,125	12,603,063	320,922	44,057	609,495	974,474	11,628,590
Personal Loan	26,417,040	1,648,218	1,825,121	29,890,377	54,815	32,956	459,480	547,250	29,343,127
Term Loan	46,460,377	2,643,668	1,726,158	50,830,203	114,179	66,592	436,912	617,683	50,212,520
Time Loan	3,747,264	503,907	2,266,254	6,517,424	34,332	304,163	860,577	1,199,071	5,318,353
	186,055,013	13,290,691	9,958,273	209,303,975	629,735	761,044	2,621,276	4,012,055	205,291,921

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,750,272	96,060	156,301	2,002,632	14,980	564	19,605	35,150	1,967,482
Credit Card	279,414	610	11,317	291,342	2,724	19	3,064	5,808	285,532
Finance Lease	2,081,872	302,550	281,316	2,665,738	22,682	24,727	98,333	145,741	2,519,999
Mortgage Loan	55,554,448	29,814	173,841	55,758,103	388,151	30,732	76,830	495,713	55,262,391
Overdraft	173,439,650	81,849,095	86,325,238	341,613,983	3,931,269	18,981,311	29,612,290	52,524,869	289,089,112
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,983,535,802	327,088,424	59,469,674	2,370,093,901	26,533,535	33,979,455	23,388,994	83,901,984	2,286,191,917
Time Loan	329,448,797	51,255,997	4,726,795	385,431,590	1,096,552	5,213,896	1,622,470	7,932,919	377,498,670
	2,546,090,254	460,622,552	151,144,481	3,157,857,287	31,989,894	58,230,704	54,821,588	145,042,184	3,012,815,100

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-	-	-	-
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-
Time Loan	393,333,130	-	140,061	393,473,192	599,383	-	52,501	651,884	392,821,307
	393,333,130	-	140,062	393,473,191	599,383	-	52,501	651,884	392,821,307

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

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

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,089,593	145,576	67,643	2,302,812	8,640	1,214	16,937	26,792	2,276,019
Credit Card	18,173,052	3,769,836	387,545	22,330,433	32,897	286,953	105,970	425,820	21,904,612
Finance Lease	1,010,793	327,222	138,573	1,476,588	5,980	2,929	34,697	43,608	1,432,981
Mortgage Loan	2,367,247	425,098	356,261	3,148,606	8,990	18,979	89,204	117,175	3,031,431
Overdraft	5,165,955	3,820,445	3,151,532	12,137,933	320,652	40,856	601,492	962,999	11,174,933
Personal Loan	10,695,174	1,641,497	1,785,935	14,122,605	45,211	26,554	443,474	515,239	13,607,366
Term Loan	45,576,022	2,638,628	1,696,769	49,911,419	113,639	61,790	424,907	600,336	49,311,083
Time Loan	2,715,516	186,362	414,718	3,316,595	33,702	1,645	104,282	139,628	3,176,967
	87,793,354	12,954,664	7,998,976	108,746,992	569,712	440,921	1,820,965	2,831,596	105,915,387

Loans and advances to corporate customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,750,272	96,060	156,301	2,002,632	14,980	564	19,605	35,150	1,967,482
Credit Card	279,136	610	11,317	291,063	2,722	19	3,064	5,805	285,258
Finance Lease	1,804,100	280,190	150,935	2,235,224	20,741	1,678	40,711	63,130	2,172,094
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	156,773,316	81,774,560	85,890,636	324,438,511	3,814,823	18,904,481	29,420,215	52,139,519	272,298,992
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,786,595,563	319,873,369	17,400,198	2,123,869,129	25,157,541	26,542,316	4,796,147	56,496,003	2,067,373,129
Time Loan	321,115,630	51,144,194	4,074,892	376,334,715	1,038,329	5,098,651	1,334,358	7,471,338	368,863,377
	2,268,318,015	453,168,981	107,684,279	2,829,171,274	30,049,135	50,547,709	35,614,101	116,210,946	2,712,960,334

Loans and advances to banks

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

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

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	38,413	14,614,980
Credit Card	18,246,614	616,290	151,645	19,014,549	40,847	77,582	82,505	200,934	18,813,613
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	16,148,441
Personal Loan	51,880,685	153,300	906,662	52,940,647	140,312	28,017	499,391	667,720	52,272,927
Term Loan	12,777,477	2,719,316	239,994	15,736,787	135,264	502,383	190,850	828,497	14,908,290
Time Loan	4,859,951	1,402,215	591,548	6,853,714	48,794	139,221	256,496	444,511	6,409,203
	197,511,320	6,354,560	5,980,095	209,845,975	712,723	1,223,767	3,239,997	5,176,486	204,669,485

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	3,203,005	26,672	4,766	7,040	38,478	3,164,527
Credit Card	238,656	24,731	61,807	325,194	2,459	1,568	23,792	27,819	297,376
Finance Lease	4,357,320	340,259	262,405	4,959,984	79,685	13,288	108,492	201,465	4,758,519
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	281,083,140	1,888,438	5,194,640	25,574,903	32,657,981	248,425,159
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	1,253,280,533	822,442,191	93,801,086	2,169,523,810	9,136,899	102,028,690	27,294,139	138,459,728	2,031,064,082
Time Loan	322,785,856	35,848,324	14,334,162	372,968,342	9,110,469	2,661,667	2,561,847	14,333,983	358,634,359
	1,766,428,420	946,380,528	180,315,519	2,893,124,467	20,708,736	109,914,847	55,590,670	186,214,253	2,706,910,215

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	151,944,388
	152,283,368	-	2,166,836	154,450,204	270,122	-	1,355,001	1,625,123	152,825,081

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	30,103	3,303,424
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	440,690	2,136,440
Overdraft	13,933,346	517,535	3,679,087	18,129,968	265,755	240,000	1,987,956	2,493,711	15,636,257
Personal Loan	33,769,919	149,658	897,555	34,817,132	127,527	25,886	495,129	648,542	34,168,590
Term Loan	11,758,747	2,716,584	233,165	14,708,496	134,544	500,785	187,654	822,983	13,885,513
Time Loan	3,671,432	1,230,102	161,265	5,062,799	47,955	38,536	55,127	141,618	4,921,181
	84,319,032	6,172,431	5,524,769	96,016,231	632,815	1,117,221	3,026,908	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	3,203,005	26,672	4,766	7,040	38,478	3,164,527
Credit Card	238,351	24,731	61,807	324,889	2,457	1,568	23,792	27,817	297,072
Finance Lease	4,052,448	321,706	216,022	4,590,176	77,365	5,617	93,149	176,131	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	32,442,036	230,132,326
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	129,388,719	1,803,028,207
Time Loan	313,639,695	35,755,557	14,102,245	363,497,497	9,040,852	2,623,311	2,485,135	14,149,298	349,348,200
	1,461,556,370	940,196,085	164,854,403	2,566,606,855	18,388,168	107,357,779	50,476,532	176,222,479	2,390,384,377

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	164,848,301	6,532	-	1,309,460	1,315,992	163,532,309
	163,608,152	-	2,166,837	165,774,989	6,986	-	1,355,001	1,361,987	164,413,002

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

Group

In thousands of Naira — **December 2020**

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	186,055,014	13,290,691	9,958,273
ECL	(629,734)	(761,045)	(2,621,276)
Collateral held at fair value			
Property	14,131,647	16,199,436	4,633,141
Equities	158,970	-	-
Cash	1,935,687	433,924	-
Pledged goods/receivables	93,604,918	17,992,936	9,265,868
Others	79,869,809	27,681,391	40,111,815
Total	**189,701,030**	**62,307,686**	**54,010,824**

Loans to corporate Customers

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

Bank

In thousands of Naira — **December 2020**

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	87,793,354	12,954,665	7,998,975
ECL	(569,711)	(440,920)	(1,820,964)
Collateral held at fair value			
Property	10,094,033	11,738,721	4,211,946
Equities	132,475	-	-
Cash	1,290,458	361,603	-
Pledged goods/receivables	49,265,747	14,056,981	8,824,636
Others	36,304,459	16,283,171	33,426,513
Total	**97,087,171**	**42,440,477**	**46,463,095**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	2,268,318,016	453,168,982	107,684,279
ECL	(30,049,136)	(50,547,709)	(35,614,100)
Collateral held at fair value			
Property	623,455,902	167,793,511	48,801,161
Equities	144,533,052	19,672,305	239,772
Cash	110,538,140	2,681,216	-
Pledged goods/receivables	1,997,194,475	279,084,614	108,973,933
Others	2,954,476,055	535,792,894	168,969,314
Total	**5,830,197,624**	**1,005,024,539**	**326,984,179**
Total	**5,927,284,795**	**1,047,465,016**	**373,447,274**

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

Group
In thousands of Naira

December 2019

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	197,511,320	6,354,560	5,980,094
ECL	(712,723)	(1,223,766)	(3,239,997)
Collateral held at fair value			
Property	53,829,204	2,544,489	2,240,416
Equities	807,720	75,621	-
Cash	44,158,993	-	-
Pledged goods/receivables	-	-	-
Others	89,584,098	2,676,937	4,498,740
Total	**188,380,015**	**5,297,046**	**6,739,156**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	1,766,428,423	946,380,528	180,315,519
ECL	(20,708,736)	(109,914,847)	(55,590,670)
Collateral held at fair value			
Property	3,276,273,464	1,003,576,068	76,017,515
Equities	2,098,191,963	1,483,351,239	224,390,024
Cash	550,531,758	830,250	-
Pledged goods/receivables	-	-	-
Others	2,098,191,963	1,483,351,239	224,390,024
Total	**8,023,189,147**	**3,971,108,796**	**524,797,564**
Total collateral held at fair value	**8,211,569,163**	**3,976,405,842**	**531,536,720**

Bank
In thousands of Naira

December 2019

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	84,319,031	6,172,430	5,524,769
ECL	(632,815)	(1,117,221)	(3,026,908)
Collateral held at fair value			
Property	41,407,080	1,957,299	1,723,397
Equities	621,323	58,170	-
Cash	33,968,456	-	-
Pledged goods/receivables	-	-	-
Others	68,910,845	2,059,182	3,460,569
Total	**144,907,704**	**4,074,651**	**5,183,966**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	1,461,556,371	940,196,081	164,854,403
ECL	(18,388,168)	(107,357,780)	(50,476,533)

Collateral held at fair value			
Property	2,891,680,021	885,768,816	67,094,012
Equities	1,851,890,523	1,309,224,394	198,049,448
Cash	485,906,230	732,789	-
Pledged goods/receivables	-	-	-
Others	1,851,890,523	1,309,224,394	198,049,448
Total	**7,081,367,297**	**3,504,950,394**	**463,192,907**
Total collateral held at fair value	**7,226,275,001**	**3,509,025,045**	**468,376,873**

There are no collaterals held against other financial assets. The Group obtained a property during the year by taking possession of collateral held as security against a loan. The value of the collateral repossessed during the year was N9.4bn (2018: Nil). The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations. Hence, the repossessed collateral has been included in assets classified as held for sale (Note 31).

Collateral held and other credit enhancements, and their financial effect

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

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

5.1.. Offsetting financial assets and financial liabilities

As at December 2020

In thousands of Naira

The following financial assets/liabilities are subject to offsetting	Gross amounts of recognised financial assets	amounts of recognised financial liabilities offset in the statement of financial	Net amounts of financial assets/Liabilities presented in the statement of financial position
Financial assets			
Loans and advances to banks	-	-	-
Total	**-**	**-**	**-**

As at December 2020

Financial liabilities			
Interest bearing borrowing	-	-	-
Total	**-**	**-**	**-**

As at December 2019

In thousands of Naira

The following financial assets/liabilities 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/Liabilities 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**

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 2020

In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	723,872,820	-	-	-	723,872,820
Investment under management	6,916,492	-	13,495,537	-	10,039,437	-	30,451,467
Non pledged trading assets							
Treasury bills	-	-	-	-	116,036,126	-	116,036,126
Bonds	-	-	73,237	-	91,842,580	-	91,915,817
Equity	-	-	-	-	-	-	-
Derivative financial instruments	18,739,212	7,098,884	12,292,884	1,078,562	191,022,673	-	230,232,215
Loans and advances to banks	-	-	392,821,307	-	-	-	392,821,307
Loans and advances to customers							
Auto Loan	172,109	1,795,374	-	12,097,360	-	-	14,064,843
Credit Card	11,021	274,514	-	23,379,987	-	-	23,665,522
Finance Lease	98,888	2,421,109	-	1,534,708	-	-	4,054,704
Mortgage Loan	-	55,262,390	-	71,777,277	-	-	127,039,667
Overdraft	43,749,696	245,339,418	-	11,628,590	-	-	300,717,703
Personal Loan	-	-	-	29,343,127	-	-	29,343,127
Term Loan	948,006,957	1,102,724,902	-	50,212,521	235,460,056	-	2,336,404,437
Time Loan	245,842,915	131,655,755	-	5,318,353	-	-	382,817,024
Pledged assets							
Treasury bills	-	-	-	-	239,019,624	-	239,019,624
Bonds	-	-	-	-	44,451,010	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	748,230,225	-	748,230,225
Bonds	15,745,714	-	-	-	203,869,159	-	219,614,874
Promissory Notes	-	-	-	-	80,033,790	-	80,033,790
-Financial assets at amortised cost						-	
Treasury bills	-	-	-	-	237,109,445	-	237,109,445
Total Return Notes	-	-	45,527,717	-	-	-	45,527,717
Bonds	970,014	-	-	276,469,985	-	-	277,440,000
Promissory Notes	-	-	-	-	427,536	-	427,536
Restricted deposit and other assets	81,727,070	1,274,397	106,851,694	8,738,628	1,315,372,083	8,351,203	1,522,315,073
Total	**1,361,980,089**	**1,547,846,741**	**1,294,935,199**	**491,579,097**	**3,512,913,746**	**8,351,203**	**8,217,606,073**

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	153,527,399	193,428,910	13,889,125	17,883,313	80,100	-	378,808,847
Clean line facilities for letters of credit and other commitments	184,714,070	231,959,009	6,525,379	22,340,486	-	-	445,538,945
Total	**338,241,469**	**425,387,918**	**20,414,504**	**40,223,800**	**80,100**	**-**	**824,347,792**

Group
By Sector

December 2019

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	723,064,003	-	-	-	723,064,003
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	-	136,634,873
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**	**980,743,391**	**215,170,236**	**1,967,124,514**	**6,301,150**	**5,734,903,814**
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**

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 2020** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	495,885,189	66,276,473	161,711,159	-	723,872,821
Investment under management	14,172,244	7,109,072	9,170,151	-	30,451,467
Non pledged trading assets					
Treasury bills	97,719,848	18,316,278	-	-	116,036,126
Bonds	12,563,265	79,352,553	-	-	91,915,817
Equity	-	-	-	-	-
Derivative financial instruments	179,999,227	39,713,567	10,256,418	263,003	230,232,214
Loans and advances to banks	16,227,012	44,645,306	331,948,990	-	392,821,307
Loans and advances to customers					
Auto Loan	4,243,504	9,821,339	-	-	14,064,843
Credit Card	22,189,872	1,475,650	-	-	23,665,522
Finance Lease	3,605,077	449,628	-	-	4,054,704
Mortgage Loan	3,031,432	81,587,341	42,420,893	-	127,039,667
Overdraft	283,473,925	17,243,155	623	-	300,717,702
Personal Loan	13,607,367	15,735,760	-	-	29,343,127
Term Loan	2,116,684,210	10,674,102	209,046,125	-	2,336,404,438
Time Loan	372,040,345	4,853,146	5,923,533	-	382,817,024
Pledged assets					
Treasury bills	239,019,624	-	-	-	239,019,624
Bonds	44,451,010	-	-	-	44,451,010
Investment securities					
-Financial assets at FVOCI					
Treasury bills	608,866,687	139,363,538	-	-	748,230,226
Bonds	106,924,656	105,798,475	6,891,743	-	219,614,874
Promissory Notes	80,033,790	-	-	-	80,033,790
-Financial assets at amortised cost					
Treasury bills	194,302,056	42,807,389	-	-	237,109,445
Total Return Notes	45,527,717	-	-	-	45,527,717
Bonds	250,772,348	26,169,925	497,726	-	277,439,999
Promissory Notes	427,536	-	-	-	427,536
Restricted deposit and other assets	1,465,045,368	24,455,259	32,814,448	-	1,522,315,073
Total	**6,670,813,306**	**735,847,954**	**810,681,809**	**263,003**	**8,217,606,073**

Credit risk exposures relating to other credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	334,606,056	40,135,395	4,067,396	-	378,808,847
Clean line facilities for letters of credit and other commitments	326,644,373	25,438,496	93,448,557	7,518	445,538,945
Total	**661,250,429**	**65,573,892**	**97,515,953**	**7,518**	**824,347,792**

By geography

Group
December 2019
In thousands of Naira

	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	373,524,816	94,581,401	255,049,233	-	723,155,450
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**	**460,525,071**	**2,299,242**	**5,826,864,316**

	Nigeria	Rest of Africa	Europe	Others	Total
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**

Credit risk management

5.1.5 (b) By Sector

Bank
December 2020
In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	589,812,438	-	-	-	589,812,438
Investment under management	6,916,492	-	13,495,537	-	10,039,436	-	30,451,466
Non pledged trading assets							
Treasury bills	-	-	-	-	97,719,848	-	97,719,848
Bonds	-	-	73,237	-	12,490,027	-	12,563,265
Equity	-	-	-	-	-	-	-
Derivative financial instruments	12,295,323	7,098,884	12,292,884	1,078,562	191,022,672	-	223,788,324
Loans and advances to banks	-	-	231,788,276	-	-	-	231,788,276
Loans and advances to customers	-	-	-				
Auto Loan	172,109	1,795,374	-	2,276,022	-	-	4,243,504
Credit Card	11,021	274,238	-	21,904,613	-	-	22,189,872
Finance Lease	580	2,171,515	-	1,432,982	-	-	3,605,077
Mortgage Loan	-	-	-	3,031,432	-	-	3,031,432
Overdraft	39,005,261	233,293,730	-	11,174,933	-	-	283,473,926
Personal Loan	-	-	-	13,607,367	-	-	13,607,367
Term Loan	886,174,685	960,076,696	-	49,311,083	221,121,746	-	2,116,684,210
Time Loan	243,402,815	125,460,562	-	3,176,968	-	-	372,040,345
Pledged assets							
Treasury bills	-	-	-	-	239,019,624	-	239,019,624
Bonds	-	-	-	-	44,451,010	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	608,866,687	-	608,866,687
Bonds	15,745,714	-	-	-	91,178,942	-	106,924,656
Promissory Notes	-	-	-	-	80,033,790	-	80,033,790
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	194,302,056	-	194,302,056
Total Return Notes	-	-	45,527,717	-	-	-	45,527,717
Bonds	472,288	-	-	-	250,300,061	-	250,772,349
Promissory Notes	-	-	-	-	427,537	-	427,537
Restricted deposit and other assets	80,231,178	1,285,890	94,029,490	7,242,924	1,281,876,938	6,815,056	1,471,481,478
Total	**1,284,427,466**	**1,331,456,889**	**987,019,582**	**114,236,885**	**3,322,850,375**	**6,815,056**	**7,046,806,253**
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	114,884,894	192,337,386	13,889,125	13,872,688	80,100	-	335,064,193
Clean line facilities for letters of credit and other commitments	91,229,685	221,656,014	6,525,379	22,340,486	-	-	341,751,565
Total	**206,114,580**	**413,993,400**	**20,414,504**	**36,213,175**	**80,100**	**-**	**676,815,758**

By Sector

Bank
December 2019
In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	575,906,273	-	-	-	575,906,273
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	-	1,816,913,721
Time Loan	161,916,195	187,432,005	-	4,921,181	-	-	354,269,381
Pledged assets							
Treasury bills	-	-	-	-	522,956,307	-	522,956,308
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**	**835,090,480**	**101,436,754**	**1,712,980,589**	**4,360,143**	**4,928,036,210**

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	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**

5.1.5 (b)i By geography

Bank **December 2020** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	474,375,779	60,654	115,376,006	-	589,812,438
Investment under management	14,172,243	7,109,072	9,170,151	-	30,451,466
Non pledged trading assets					
Treasury bills	97,719,848	-	-	-	97,719,848
Bonds	12,563,265	-	-	-	12,563,265
Equity	-	-	-	-	-
Derivative financial instruments	194,165,901	30,627,212	14,362,722	171,531	239,327,366
Loans and advances to banks	4,962,693	44,645,306	182,180,278	-	231,788,276
Loans and advances to customers					
Auto Loan	4,243,504	-	-	-	4,243,504
Credit Card	22,189,872	-	-	-	22,189,872
Finance Lease	3,605,077	-	-	-	3,605,077
Mortgage Loan	3,031,432	-	-	-	3,031,432
Overdraft	283,473,925	-	-	-	283,473,925
Personal Loan	13,607,367	-	-	-	13,607,367
Term Loan	2,116,684,210	-	-	-	2,116,684,210
Time Loan	372,040,345	-	-	-	372,040,345
Pledged assets					
Treasury bills	239,019,624	-	-	-	239,019,624
Bonds	44,451,010	-	-	-	44,451,010
Investment securities					
-Financial assets at FVOCI					
Treasury bills	608,866,687	-	-	-	608,866,687
Bonds	106,924,656	-	-	-	106,924,656
Promissory Notes	80,033,790	-	-	-	80,033,790
-Financial assets at amortised cost					
Treasury bills	194,302,056	-	-	-	194,302,056
Total Return Notes	45,527,717	-	-	-	45,527,717
Bonds	250,772,348	-	-	-	250,772,349
Promissory Notes	427,537	-	-	-	427,537
Restricted deposit and other assets	1,462,627,145	8,854,332	-	-	1,471,481,478
Total	**6,649,788,031**	**91,296,575**	**321,089,157**	**171,531**	**7,062,345,294**
Credit risk exposures relating to other credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	334,606,056	-	458,137	-	335,064,193
Clean line facilities for letters of credit and other commitments	326,644,373	13,740,492	1,359,181	7,518	341,751,564
Total	**661,250,429**	**13,740,492**	**1,817,318**	**7,518**	**676,815,757**

By geography

Bank **December 2019** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
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	13,381,720	752,682	150,278,599	-	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	**4,497,710,956**	**35,469,939**	**356,699,058**	**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	324,529,363	-	-	-	324,529,363
Total	**776,043,912**	**-**	**-**	**-**	**776,043,912**

Market risk management

5.2. Interest rate gap position

Repricing gap measures the difference between the Bank's interest sensitive assets and liabilities within certain maturity ranges. Differences between these assets and liabilities pose as potential losses from unexpected changes in interest rate. Negative Gaps represent situations when assets are less than liabilities and the Bank is exposed to an increase in interest rates. Where assets are more than liabilities this can be described as positive gap and the Bank is exposed to decline in interest rates.

The results above shows a negative gap of 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 **December 2020**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	89,783,183	-	-	-	-	634,089,637	723,872,820
Investment under management	23,785,009	-	-	-	6,666,457	-	30,451,466
Non pledged trading assets							
Treasury bills	15,425,251	6,502,706	94,108,169	-	-	-	116,036,126
Bonds	-	-	1,696,330	13,623,889	76,595,599	-	91,915,817
Loans and advances to banks	120,523,350	71,295,446	201,002,512	-	-	-	392,821,307
Loans and advances to customers							
Auto Loan	1,191,994	2,448,986	2,114,765	8,309,097	-	-	14,064,843
Credit Card	10,819,861	-	1,475,650	11,370,011	-	-	23,665,522
Finance Lease	542,161	364,061	1,571,916	1,576,566	-	-	4,054,704
Mortgage Loan	12,514,876	18,602,034	6,362,619	25,224,744	64,335,393	-	127,039,667
Overdraft	203,083,470	53,607,113	44,027,120	-	-	-	300,717,703
Personal Loan	3,699,315	5,648,917	6,820,810	10,102,240	3,071,844	-	29,343,127
Term Loan	80,129,846	34,852,785	119,754,388	883,377,166	1,218,290,251	-	2,336,404,437
Time Loan	254,399,725	64,553,042	63,864,257	-	-	-	382,817,024
Pledged assets							-
Treasury bills	101,874,873	73,955,530	8,273,493	-	-	-	184,103,896
Bonds	-	-	-	2,418,944	42,032,066	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	97,978,763	41,304,160	608,947,303	-	-	-	748,230,225
Bonds	-	-	3,947,114	34,202,910	181,464,849	-	219,614,874
Promissory notes	-	-	-	80,033,790	-	-	80,033,790
-Financial assets at amortised cost							
Treasury bills	31,463,203	13,263,703	192,382,539	-	-	-	237,109,445
Bonds	-	-	5,029,820	43,584,869	228,825,310	-	277,439,999
Promissory notes	-	-	-	427,536	-	-	427,536
Total return notes	-	-	45,527,717	-	-	-	45,527,717
Restricted deposit and other assets	-	-	-	-	-	1,522,315,074	1,522,315,074
	1,047,214,877	**386,398,482**	**1,406,906,524**	**1,114,251,762**	**1,821,281,773**	**2,156,404,712**	**7,932,458,130**
Non-derivative liabilities							
Deposits from financial institutions	584,821,197	242,404,257	131,171,717	-	-	-	958,397,171
Deposits from customers	3,036,562,629	214,090,929	33,271,788	1,515,952	2,785	2,301,974,129	5,587,418,213
Other liabilities	-	-	-	-	-	356,638,122	356,638,122
Debt securities issued	-	122,195,240	-	15,423,330	31,541,488	-	169,160,058
Interest bearing borrowings	5,951,608	23,125,817	168,782,396	164,893,495	428,701,922	-	791,455,237
	3,627,335,434	**601,816,243**	**333,225,901**	**181,832,776**	**460,246,195**	**2,658,612,251**	**7,863,068,801**
Total interest re-pricing gap	(2,580,120,557)	(215,417,760)	1,073,680,622	932,418,986	1,361,035,578	(502,207,539)	69,389,329

Group				**Re-pricing year**			
In thousands of Naira **December 2019**	**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	48,838,459	-	-	-	-	674,316,991	723,155,450
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**	**1,690,899,834**	**6,539,815,256**
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	1,375,273,802	37,404,900

5.2. A summary of the Bank's interest rate gap position on security portfolios is as follows:

Bank	**Re-pricing year**						
In thousands of Naira **December 2020**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	40,095,276	-	-	-	-	549,717,160	589,812,438
Investment under management	23,785,009	-	-	-	6,666,457	-	30,451,466
Non- pledged trading assets							
Treasury bills	12,990,379	5,476,255	79,253,214	-	-	-	97,719,848
Bonds	-	-	225,507	1,954,087	10,383,670	-	12,563,265
Loans and advances to banks	120,523,350	71,295,446	39,969,481	-	-	-	231,788,276
Loans and advances to customers							
Auto Loan	209,860	190,078	445,138	3,398,428	-	-	4,243,503
Credit Card	10,819,861	-	-	11,370,011	-	-	22,189,872
Finance Lease	497,198	206,692	1,387,569	1,513,618	-	-	3,605,077
Mortgage Loan	114,053	798	162,208	423,097	2,331,276	-	3,031,432
Overdraft	203,083,470	53,607,113	26,783,342	-	-	-	283,473,925
Personal Loan	1,338,951	141,401	841,221	8,213,949	3,071,844	-	13,607,367
Term Loan	58,157,824	6,289,155	71,415,939	773,517,053	1,207,304,240	-	2,116,684,210
Time Loan	249,011,385	62,074,406	60,954,554	-	-	-	372,040,345
Pledged assets							
Treasury bills	101,874,873	73,955,530	8,273,493	-	-	-	184,103,896
Bonds	-	-	-	2,418,944	42,032,066	-	44,451,010
Investment securities							
-Financial assets at FVOCI							
Treasury bills	79,453,504	33,494,608	495,918,575	-	-	-	608,866,687
Bonds	-	-	1,912,888	16,575,739	88,436,029	-	106,924,656
Promissory note	-	-	1,912,888	16,575,739	88,436,029	-	106,924,656
-Financial assets at amortised cost							
Treasury bills	25,835,013	10,891,070	157,575,973	-	-	-	194,302,056
Bonds	-	-	4,561,362	39,525,545	207,112,979	-	251,199,886
Promissory note	-	-	-	427,537	-	-	427,537
Total return notes	-	-	45,527,717	-	-	-	45,527,717
Restricted deposit and other assets	-	-	-	-	-	1,471,481,477	1,471,481,477
	927,790,005	**317,622,553**	**997,121,069**	**875,913,748**	**1,655,774,593**	**2,021,198,637**	**6,795,420,605**
Non-derivative liabilities							
Deposits from financial institutions	514,323,447	213,573,720	103,735,165	-	-	-	831,632,332
Deposits from customers	2,640,757,810	172,047,852	26,737,890	1,218,250	2,238	1,991,980,453	4,832,744,493
Other liabilities	-	-	-	-	-	322,955,917	322,955,917
Debt securities	-	122,195,240	-	15,423,330	31,541,488	-	169,160,058
Interest bearing borrowings	5,675,830	22,054,242	160,961,567	157,252,865	409,309,769	-	755,254,273
	3,160,757,087	**529,871,053**	**291,434,622**	**173,894,446**	**440,853,496**	**2,314,936,370**	**6,911,747,076**
Total interest re-pricing gap	(2,232,967,078)	(212,248,496)	705,686,446	702,019,303	1,214,921,096	(293,737,732)	(116,326,469)

Bank	**Re-pricing year**						
In thousands of Naira **December 2019**	**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	32,822,515	-	-	-	-	543,085,032	575,907,548
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**	**1,511,783,661**	**5,613,421,926**
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	1,213,189,081	(117,516,616)

5.2. The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Group

In thousands of Naira

December 2020	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	723,872,820	183,524,466	318,479,238	74,495,360	92,618,620	54,755,134
Investment under management	30,451,466	27,667,779	2,783,687	-	-	-
Non-pledged trading assets						
Treasury bills	116,036,126	97,719,848	-	-	-	18,316,278
Bonds	91,915,817	12,488,649	74,615	-	-	79,352,552
Equity	-	-	-	-	-	-
Derivative financial instruments	251,112,744	244,564,046	-	4,732,073	8,129	1,808,496
Loans and advances to banks	392,821,307	843,088	391,978,220	-	-	-
Loans and advances to customers						
Auto Loan	14,064,843	4,243,504	2,022,781	-	-	7,798,557
Credit Card	23,665,522	19,036,608	3,456,928	257	-	1,171,729
Finance Lease	4,054,704	3,605,077	92,604	-	-	357,023
Mortgage Loan	127,039,667	3,031,432	25,540,461	33,683,980	-	64,783,793
Overdraft	300,717,702	260,286,030	26,739,240	639	2	13,691,793
Personal Loan	29,343,127	13,480,722	3,367,547	-	-	12,494,857
Term Loan	2,336,404,437	1,858,808,474	303,086,333	165,991,449	42,493	8,475,687
Time Loan	382,817,024	113,032,794	249,821,168	6,520,373	9,557,270	3,885,418
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial assets at FVPL						
Treasury bills	85,006,604	85,006,604	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	748,230,225	608,866,687	134,875,103	-	-	4,488,434
Bonds	219,614,874	91,783,529	22,032,870	-	-	105,798,475
Promissory notes	80,033,790	80,033,790	-	-	-	-
-Financial assets at FVPL						
Equity	141,765,576	22,751,701	118,983,352	30,523	-	-
-Financial assets at amortised cost						
Treasury bills	237,109,445	194,302,056	-	-	-	42,807,389
Total return notes	45,527,717	-	45,527,717	-	-	-
Bonds	277,439,999	250,772,348	6,891,743	-	-	19,775,908
Promissory notes	427,536	427,536	-	-	-	-
Restricted deposit and other assets	1,522,315,074	1,380,851,224	91,807,963	783,023	1,430,290	47,442,574
	8,325,336,447	**5,700,676,296**	**1,747,561,571**	**286,237,677**	**103,656,805**	**487,204,098**
Deposits from financial institutions	958,397,171	12,284,842	930,447,908	4,514,659	6,976,833	4,172,929
Deposits from customers	5,587,418,213	3,915,294,407	1,069,396,893	235,709,852	29,251,452	337,765,609
Derivative financial instruments	20,880,529	20,775,722	85,133	-	19,549	125
Other liabilities	356,638,122	273,817,262	55,914,256	6,627,680	2,395,628	17,883,295
Debt securities issued	169,160,059	46,964,818	122,195,241	-	-	-
Interest bearing borrowings	791,455,237	419,322,836	361,202,412	-	2,112,886	8,817,103
	7,883,949,332	**4,688,459,886**	**2,539,241,844**	**246,852,190**	**40,756,348**	**368,639,062**
Off balance sheet exposures:						
Transaction related bonds and guarantees	378,808,847	209,738,623	74,052,168	33,019	59,643,055	35,341,982
Clean line facilities for letters of credit and other commitments	445,538,945	0	412,339,777	9,295,470	23,782,623	121,075
	919,365,848	**209,738,623**	**486,391,946**	**9,361,508**	**143,068,734**	**70,805,039**

*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 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**

5.2. The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Bank
In thousands of Naira

December 2020	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	589,812,439	183,524,466	295,629,872	24,688,883	82,650,611	3,318,608
Investment under management	30,451,466	27,667,779	2,783,687	-	-	-
Non-pledged trading assets						
Treasury bills	97,719,848	97,719,848	-	-	-	-
Bonds	12,563,265	12,488,649	74,615	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	244,564,046	244,564,046	-	-	-	-
Loans and advances to banks	231,788,276	843,088	230,945,189	-	-	-
Loans and advances to customers						
Auto Loan	4,243,504	4,243,504	-	-	-	-
Credit Card	22,189,872	19,036,608	3,153,007	257	-	-
Finance Lease	3,605,077	3,605,077	-	-	-	-
Mortgage Loan	3,031,432	3,031,432	-	-	-	-
Overdraft	283,473,925	260,286,030	23,187,750	144	2	-
Personal Loan	13,607,367	13,480,722	126,645	-	-	-
Term Loan	2,116,684,210	1,858,808,474	257,833,242	-	42,493	-
Time Loan	372,040,345	113,032,794	247,601,627	1,816,838	9,557,270	31,814
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	999,521	999,521	-	-	-	-
Bonds	2,617,080	2,617,080	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	98,097,771	98,097,771	-	-	-	-
Bonds	41,833,930	41,833,930	-	-	-	-
-Financial assets at FVPL						
Treasury bills	85,006,603	85,006,603	-	-	-	-
Bonds	-	-	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	608,866,687	-	-	-	-
Bonds	106,924,656	91,783,529	15,141,127	-	-	-
Promissory notes	80,033,790	80,033,790	-	-	-	-
-Financial assets at FVPL						
Equity	141,735,053	22,751,701	118,983,352	-	-	-
-Financial assets at amortised cost						
Treasury bills	194,302,056	194,302,056	-	-	-	-
Total return notes	45,527,717	-	45,527,717	-	-	-
Bonds	250,772,348	250,772,348	-	-	-	-
Promissory notes	427,537	427,537	-	-	-	-
Restricted deposit and other assets	1,471,481,476	1,380,851,224	89,200,647	-	1,429,606	-
	7,154,401,296	**5,700,676,296**	**1,330,188,476**	**26,506,121**	**93,679,980**	**3,350,422**
Deposits from financial institutions	831,632,332	12,284,842	816,255,696	60,925	3,017,007	13,863
Deposits from customers	4,832,744,493	3,915,294,407	883,994,671	16,898,928	16,556,059	427
Derivative financial instruments	20,775,722	20,775,722	-	-	-	-
Other liabilities	322,955,917	273,817,262	46,643,918	64,085	2,386,350	44,302
Debt securities issued	169,160,059	46,964,818	122,195,241	-	-	-
Interest bearing borrowings	755,254,273	419,322,836	335,931,437	-	-	-
	6,932,522,796	**4,688,459,886**	**2,205,020,965**	**17,023,938**	**21,959,418**	**58,592**
Off balance sheet exposures:						
Transaction related bonds and guarantees	335,064,193	209,738,623	66,277,024	15,244	59,033,301	-
Clean line facilities for letters of credit and other commitments	341,751,564	0	328,287,614	224,396	13,237,822	1,732
	2,881,836,721	**209,738,623**	**2,599,585,602**	**239,641**	**72,271,123**	**1,732**

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 [1]	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

Liquidity risk management

The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

The amounts in the table below have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than one month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks and debt securities issued by federal government, which can be readily sold to meet liquidity requirements.
In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

5.3. Residual contractual maturities of financial assets and liabilities

Group **December 2020** *In thousands of Naira*	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	723,872,820	723,872,820	723,872,820	-	-	-	-
Investment under management	30,451,466	30,451,466	272,737	6,113,728	17,398,543	6,666,458	-
Non-pledged trading assets							
Treasury bills	116,036,126	116,472,852	18,126,442	30,461,550	67,884,860	-	-
Bonds	91,915,817	104,856,685	-	-	27,182,627	26,998,430	50,675,628
Derivative financial instruments	251,112,744	251,112,743	90,981,380	19,469,885	111,088,832	29,572,647	-
Loans and advances to banks	392,821,307	393,473,191	120,649,810	71,385,947	201,437,435	-	-
Loans and advances to customers							
Auto Loan	14,064,843	15,096,966	2,032,653	2,981,333	2,854,919	7,228,063	-
Credit Card	23,665,522	23,674,013	10,825,209	-	1,478,793	11,370,011	-
Finance Lease	4,054,704	4,819,748	1,431,230	865,778	1,218,758	1,303,981	-
Mortgage Loan	127,039,667	129,118,595	12,866,782	18,848,225	6,677,258	26,834,294	63,892,034
Overdraft	300,717,703	293,832,335	197,345,364	52,161,546	44,325,425	-	-
Personal Loan	29,343,128	36,189,272	6,899,330	7,134,671	9,092,848	9,769,332	3,293,092
Term Loan	2,336,404,437	3,043,171,143	99,567,059	141,140,618	302,740,868	1,804,236,776	695,485,822
Time Loan	382,817,024	247,404,594	169,589,998	28,847,990	24,107,124	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	999,521	1,000,000	1,000,000	-	-	-	-
Bonds	2,617,080	6,062,797	-	-	-	-	6,062,797
-Financial instruments at amortised cost							
Treasury bills	98,097,771	98,321,500	75,379,500	22,942,000	-	-	-
Bonds	41,833,930	69,672,238	-	-	-	6,228,524	63,443,714
-Financial instruments at FVPL							
Treasury bills	85,006,604	85,007,157	-	85,007,157	-	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	748,230,225	753,786,668	84,621,602	67,372,727	601,792,339	-	-
Bonds	219,614,874	286,812,774	-	-	-	61,617,252	225,195,521
Promissory note	80,033,790	94,615,750	-	-	3,918,084	90,697,665	-
-Financial assets at amortised cost							
Treasury bills	237,109,445	237,554,832	81,289,468	156,265,362	-	-	-
Total return notes	45,527,717	45,782,540	45,782,539	-	-	-	-
Bonds	277,439,999	481,528,893	-	-	14,791,234	85,350,814	381,386,846
Promissory note	427,535	427,535	-	-	427,536	-	-
Restricted deposit and other assets	1,522,315,072	1,522,315,072	114,651,029	78,265,416	20,669,518	-	1,308,729,111
	8,183,570,872	**9,096,434,179**	**1,857,184,953**	**789,263,935**	**1,459,087,002**	**2,192,719,089**	**2,798,179,206**
Deposits from financial institutions	958,397,171	1,121,577,122	543,577,670	285,461,925	152,486,962	-	140,050,565
Deposits from customers	5,587,418,213	5,588,356,718	4,616,606,840	954,258,162	16,890,478	601,238	-
Derivative financial instruments	20,880,529	20,880,531	15,308,822	2,089,088	1,094,687	2,387,933	-
Other liabilities	356,638,122	356,663,942	246,427,862	59,947,034	50,289,047	-	-
Debt securities issued	169,160,059	208,660,925	-	130,327,432	-	22,471,849	55,861,644
Interest bearing borrowings	791,455,239	1,089,796,656	30,072,422	-	22,780,398	271,669,117	765,274,718
	7,883,949,333	**8,385,935,894**	**5,451,993,615**	**1,432,083,643**	**243,541,572**	**297,130,139**	**961,186,927**
Gap (asset - liabilities)	299,621,540	710,498,285	(3,594,808,662)	(642,819,709)	1,215,545,430	1,895,588,950	1,836,992,281
Cumulative liquidity gap			(3,594,808,662)	(4,237,628,370)	(3,022,082,940)	(1,126,493,990)	710,498,290
Off-balance sheet							
Transaction related bonds and guarantees	378,808,847	378,808,911	42,043,481	33,078,734	68,139,169	158,142,511	77,405,016
Clean line facilities for letters of credit and other commitments	445,538,945	445,538,945	233,371,171	64,244,283	114,970,014	32,953,476	-
	824,347,792	**824,347,855**	**275,414,653**	**97,323,017**	**183,109,183**	**191,095,986**	**77,405,016**

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	688,914,193	688,914,193	-	-	-	-
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	**7,070,982,010**	**2,189,676,361**	**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	4,977,071,222	4,444,035,379	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	272,530,808	140,126,903	-	95,816,466	36,587,439	-
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	**7,444,630,795**	**5,494,483,790**	**511,413,194**	**335,232,278**	**555,567,059**	**547,934,477**
Gap (asset - liabilities)	173,948,327	(373,648,786)	(3,304,807,429)	604,128,855	701,884,094	123,265,559	1,501,880,142
Cumulative liquidity gap			(3,304,807,429)	(2,700,678,574)	(1,998,794,480)	(1,875,528,921)	(373,648,779)
Off-balance sheet							
Transaction related bonds and guarantees	477,932,817	531,976,664	86,095,559	49,298,749	234,207,639	85,238,843	77,135,874
Clean line facilities for letters of credit and other commitments	419,584,999	332,827,556	118,727,744	67,565,811	133,275,180	13,258,822	-
	897,517,816	**864,804,220**	**204,823,304**	**116,864,560**	**367,482,818**	**98,497,664**	**77,135,874**

5.3. Residual contractual maturities of financial assets and liabilities

Bank December 2020 *In thousands of Naira*	Carrying amount	Gross nominal inflow/(outflow)	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	589,812,439	589,812,438	589,812,438	-	-	-	-
Investment under management	30,451,466	30,451,466	272,737	6,113,728	17,398,543	6,666,458	-
Non-pledged trading assets							
Treasury bills	97,719,848	98,156,574	12,021,016	24,356,124	61,779,434	-	-
Bonds	12,563,265	24,175,206	-	-	288,801	104,604	23,781,802
Derivative financial instruments	244,564,046	244,564,046	89,344,205	17,832,711	109,451,658	27,935,472	-
Loans and advances to banks	231,788,276	232,086,899	120,649,810	71,385,947	40,051,141	-	-
Loans and advances to customers							
Auto Loan	4,243,504	5,268,507	1,049,807	720,787	1,184,080	2,313,833	-
Credit Card	22,189,872	22,195,220	10,825,209	-	-	11,370,011	-
Finance Lease	3,605,077	4,284,085	1,377,664	678,297	999,137	1,228,988	-
Mortgage Loan	3,031,432	4,568,148	411,738	165,658	449,736	1,924,205	1,616,811
Overdraft	283,473,925	276,191,732	197,345,364	52,161,546	26,684,822	-	-
Personal Loan	13,607,367	20,421,501	4,534,164	1,615,951	3,101,095	7,877,199	3,293,092
Term Loan	2,116,684,210	2,796,027,590	74,852,704	109,011,956	248,369,286	1,680,664,999	683,128,644
Time Loan	372,040,345	235,106,894	163,441,147	26,019,519	20,786,745	24,844,842	14,640
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	999,521	1,000,000	1,000,000	-	-	-	-
Bonds	2,617,080	6,062,797	-	-	-	-	6,062,797
-Financial instruments at amortised cost							
Treasury bills	98,097,771	98,321,500	75,379,500	22,942,000	-	-	-
Bonds	41,833,930	69,672,238	-	-	-	6,228,524	63,443,714
-Financial instruments at FVPL							
Treasury bills	85,006,603	85,007,157	-	85,007,157	-	-	-
Bonds	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	608,866,687	614,430,806	38,169,648	20,920,773	555,340,385	-	-
Bonds	106,924,656	182,117,703	-	-	-	9,269,717	172,847,986
Promissory note	80,033,790	94,615,750	-	-	3,918,084	90,697,665	-
-Financial assets at amortised cost							
Treasury bills	194,302,056	195,216,894	60,120,500	135,096,394	-	-	-
Credit linked notes	45,527,717	45,782,539	45,782,539	-	-	-	-
Bonds	250,772,348	456,329,524	-	-	6,391,444	76,951,025	372,987,056
Promissory note	427,537	427,535	-	-	427,536	-	-
Restricted deposit and other assets	1,471,481,476	1,471,481,478	98,235,305	77,297,389	20,669,518	-	1,275,279,265
	7,012,666,244	**7,903,776,227**	**1,584,625,495**	**651,325,935**	**1,117,291,445**	**1,948,077,543**	**2,602,455,808**
Deposits from financial institutions	831,632,332	979,472,473	496,209,453	238,093,709	105,118,746	-	140,050,565
Deposits from customers	4,832,744,498	4,833,662,104	4,212,466,466	603,703,923	16,890,478	601,238	-
Derivative financial instruments	20,775,722	20,775,722	15,273,886	2,054,152	1,059,751	2,387,933	-
Other liabilities	322,955,917	322,955,917	243,520,501	58,857,861	20,577,556	-	-
Debt securities issued	169,160,059	208,660,925	-	130,327,432	-	22,471,849	55,861,644
Interest bearing borrowings	755,254,273	1,083,739,867	24,015,633	-	22,780,398	271,669,117	765,274,718
	6,932,522,802	**7,449,267,008**	**4,991,485,938**	**1,033,037,076**	**166,426,929**	**297,130,138**	**961,186,927**
Gap (asset - liabilities)	80,143,442	454,509,219	(3,406,860,444)	(381,711,141)	950,864,517	1,650,947,405	1,641,268,881
Cumulative liquidity gap			(3,406,860,444)	(3,788,571,585)	(2,837,707,068)	(1,186,759,663)	454,509,218
Off balance-sheet							
Transaction related bonds and guarantees	335,064,193	335,064,193	33,294,537	24,329,790	59,390,225	149,393,568	68,656,073
Clean line facilities for letters of credit and other commitments	341,751,564	341,751,565	207,424,326	38,297,438	89,023,169	7,006,631	-
	676,815,757	**676,815,759**	**240,718,863**	**62,627,229**	**148,413,394**	**156,400,199**	**68,656,073**

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	539,508,104	539,508,104	-	-	-	-
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	**6,120,932,686**	**1,814,089,197**	**741,673,072**	**863,849,141**	**784,372,616**	**1,916,948,659**
Deposits from financial institutions	1,079,284,418	1,102,172,881	677,224,322	307,522,023	117,426,536	-	-
Deposits from customers	3,668,339,811	4,384,094,475	4,174,991,396	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	290,798,173	137,525,038	153,273,135	-	-	-
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
	5,751,687,750	**6,760,483,403**	**4,993,784,401**	**652,308,584**	**143,329,764**	**423,126,178**	**547,934,477**
Gap (asset - liabilities)	5,019,085	(639,550,717)	(3,179,695,204)	89,364,488	720,519,377	361,246,439	1,369,014,182
Cumulative liquidity gap			(3,179,695,204)	(3,090,330,716)	(2,369,811,339)	(2,008,564,900)	(639,550,718)
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**

5.3.2 Financial instruments below and above 1 year's maturity

	December 2020			December 2019		
Group *In thousands of Naira*	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and balances with banks	723,872,820	-	**723,872,820**	723,064,003	-	**723,064,003**
Investments under management	23,785,009	6,666,457	**30,451,466**	23,799,663	4,492,296	**28,291,959**
Non pledged trading assets						
Treasury bills	116,036,126	-	**116,036,126**	322,930	-	**322,930**
Bonds	1,696,330	90,219,488	**91,915,817**	40,021,277	-	**40,021,277**
Derivative financial instruments	173,942,133	77,170,611	**251,112,744**	41,649,342	102,051,110	**143,700,452**
Loans and advances to banks	392,821,307	-	**392,821,307**	152,825,081	-	**152,825,081**
Loans and advances to customers						
Auto Loan	5,755,745	8,309,097	**14,064,843**	6,341,170	11,438,338	**17,779,508**
Credit Card	12,295,511	11,370,011	**23,665,522**	6,682,170	12,428,820	**19,110,990**
Finance Lease	2,478,138	1,576,566	**4,054,704**	1,462,346	3,481,829	**4,944,175**
Mortgage Loan	37,479,529	89,560,137	**127,039,667**	42,087,859	99,794,711	**141,882,570**
Overdraft	300,717,703	-	**300,717,703**	252,985,681	-	**252,985,681**
Personal Loan	16,169,042	13,174,085	**29,343,128**	37,044,083	15,228,844	**52,272,927**
Term Loan	234,737,019	2,101,667,417	**2,336,404,437**	284,492,432	1,761,479,941	**2,045,972,373**
Time Loan	382,817,024	-	**382,817,024**	376,631,483	-	**376,631,483**
Pledged assets						
Treasury bills	184,103,896	-	**184,103,896**	522,956,307	-	**522,956,307**
Bonds	-	44,451,010	**44,451,010**	4,195,563	78,404,020	**82,599,583**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	748,230,225	-	**748,230,225**	232,813,374	-	**232,813,374**
Bonds	3,947,114	215,667,759	**219,614,874**	-	81,977,676	**81,977,676**
Promissory note	-	80,033,790	**80,033,790**	18	-	**18**
-Financial assets at amortised cost						
Treasury bills	237,109,445	-	**237,109,445**	379,283,381	-	**379,283,381**
Bonds	5,029,820	272,410,180	**277,439,999**	16,049,498	250,229,498	**266,278,996**
Promissory note	-	427,536	**427,536**	-	-	**-**
Total return notes	45,527,717	-	**45,527,717**	-	-	**-**
Restricted deposit and other assets	154,047,953	1,368,267,121	**1,522,315,074**	-	1,016,582,843	**1,016,582,843**
	4,031,154,514	**4,380,971,268**	**8,183,570,874**	**3,750,263,553**	**3,437,589,929**	**6,582,297,588**
Deposits from financial institutions	958,397,171	-	**958,397,171**	1,186,356,314	-	**1,186,356,314**
Deposits from customers	3,283,925,347	2,303,492,866	**5,587,418,213**	4,254,115,046	1,724,510	**4,255,839,556**
Derivative financial instruments	12,374,376	8,506,153	**20,880,529**	6,673,932	153,361	**6,827,294**
Debt securities issued	122,195,240	46,964,818	**169,160,058**	1,218,979	156,768,898	**157,987,877**
Other liabilities	356,638,122	-	**356,638,122**	-	315,626,032	**315,626,032**
Interest-bearing borrowings	197,859,821	593,595,417	**791,455,237**	4,484,994	582,117,836	**586,602,830**
	4,931,390,076	**2,952,559,253**	**7,883,949,330**	**5,452,849,265**	**1,056,390,637**	**6,509,239,903**

Bank	**December 2020** Within 12 months	After 12 months	Total	**December 2019** Within 12 months	After 12 months	Total
In thousands of Naira						
Cash and balances with banks	589,812,439	-	**589,812,439**	575,906,273	-	**575,906,273**
Investment under management	23,785,009	6,666,457	**30,451,466**	23,799,663	4,492,296	**28,291,959**
Non pledged trading assets						
Treasury bills	97,719,848	-	**97,719,848**	74,749,344	-	**74,749,344**
Bonds	225,507	12,337,757	**12,563,265**	17,933	2,204,485	**2,222,417**
Derivative financial instruments	167,393,435	77,170,611	**244,564,046**	41,428,962	102,051,110	**143,480,073**
Loans and advances to banks	231,788,276	-	**231,788,276**	164,413,001	-	**164,413,001**
Loans and advances to customers						
Auto Loan	845,076	3,398,428	**4,243,504**	685,393	5,782,560	**6,467,952**
Credit Card	10,819,861	11,370,011	**22,189,872**	4,984,546	12,428,820	**17,413,366**
Finance Lease	2,091,459	1,513,618	**3,605,077**	1,068,002	3,417,633	**4,485,635**
Mortgage Loan	277,059	2,754,373	**3,031,432**	164,020	1,972,420	**2,136,440**
Overdraft	283,473,925	-	**283,473,925**	245,768,584	-	**245,768,584**
Personal Loan	2,321,574	11,285,793	**13,607,367**	21,112,266	13,056,324	**34,168,590**
Term Loan	135,862,917	1,980,821,292	**2,116,684,210**	181,416,038	1,635,497,681	**1,816,913,719**
Time Loan	372,040,345	-	**372,040,345**	354,269,381	-	**354,269,381**
Pledged assets						
Treasury bills	184,103,896	-	**184,103,896**	522,956,307	-	**522,956,307**
Bonds	-	44,451,010	**44,451,010**	-	82,599,584	**82,599,584**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	608,866,687	-	**608,866,687**	77,898,453	-	**77,898,453**
Bonds	1,912,888	105,011,768	**106,924,656**	-	18,950,446	**18,950,446**
Promissory note	16,575,739	88,436,029	**105,011,768**	807,602	-	**807,602**
-Financial assets at amortised cost						
Treasury bills	194,302,056	-	**194,302,056**	341,786,029	-	**341,786,029**
Bonds	4,561,362	246,638,524	**251,199,886**	23,881,032	237,791,842	**261,672,874**
Promissory note	-	427,537	**427,537**	58,664	-	**58,664**
Total return notes	45,527,717	-	**45,527,717**			
Restricted deposit and other assets	138,891,681	1,332,589,796	**1,471,481,477**	-	968,698,629	**968,698,629**
	3,341,753,658	**3,924,873,008**	**7,038,071,760**	**3,262,727,383**	**3,088,943,832**	**5,746,115,323**
Deposits from financial institutions	831,632,332	-	**831,632,332**	1,079,284,418	-	**1,079,284,418**
Deposits from customers	4,831,524,005	1,220,488	**4,832,744,493**	3,652,933,209	1,484,685	**3,654,417,894**
Derivative financial instruments	12,269,570	8,506,153	**20,775,723**	6,673,932	153,361	**6,827,294**
Debt securities issued	122,195,240	46,964,818	**169,160,058**	-	157,987,877	**157,987,877**
Other liabilities	322,955,918	-	**322,955,918**	290,798,174	-	**290,798,174**
Interest-bearing borrowings	2,452,481	538,201,289	**540,653,770**	2,452,481	538,201,289	**540,653,770**
	6,123,029,548	**594,892,747**	**6,717,922,296**	**5,032,142,216**	**697,827,212**	**5,729,969,429**

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 2020	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	89,783,183	-	634,294,495	724,077,678
Non pledged trading assets	207,951,943	-	-	207,951,943
Derivative financial instruments	-	-	251,112,744	251,112,744
Loans and advances to banks	392,821,307	-	-	392,821,307
Loans and advances to customers	17,182,330	3,200,924,696	-	3,218,107,026
Pledged assets		-	-	-
Treasury bills	184,103,896	-	-	184,103,896
Bonds	44,451,010	-	-	44,451,010
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	748,230,225	-	-	748,230,225
Bonds	299,648,664	-	-	299,648,664
Promissory notes	80,033,790	-	-	80,033,790
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	322,795,238	-	-	322,795,238
Promissory notes	-	-	427,536	427,536
TOTAL	**2,624,111,031**	**3,200,924,696**	**885,834,776**	**6,710,870,503**
LIABILITIES				
Deposits from financial institutions	958,397,171	-	-	958,397,171
Deposits from customers	1,975,382,019	3,612,036,194	-	5,587,418,213
Derivative financial instruments	-	-	20,880,529	20,880,529
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	424,021,105	276,024,490	-	700,045,596
TOTAL	**3,526,960,353**	**3,888,060,685**	**20,880,529**	**7,435,901,565**

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	1,186,356,314	-	-	1,186,356,314
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**	**6,193,670,004**

Bank

December 2020	Fixed	Floating	Non-interest bearing	Total
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	40,095,277	-	549,751,317	589,846,594
Non pledged trading assets	110,283,111	-	-	110,283,111
Derivative financial instruments	-	-	244,564,046	244,564,046
Loans and advances to banks	231,788,276	-	-	231,788,276
Loans and advances to customers	15,031,149	2,803,844,582	-	2,818,875,731
Pledged assets				
Treasury bills	184,103,895	-	-	184,103,895
Bonds	44,451,010	-	-	44,451,010
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	608,866,687	-	-	608,866,687
Bonds	186,958,446	-	-	186,958,446
-Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	296,177,417	-	-	296,177,417
TOTAL	**1,912,057,326**	**2,803,844,582**	**794,315,363**	**5,510,217,271**
LIABILITIES				
Deposits from financial institutions	831,632,332	-	-	831,632,332
Deposits from customers	1,586,352,293	3,246,392,200	-	4,832,744,493
Derivative financial instruments	-	-	20,775,722	20,775,722
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	2,871,635,945	3,502,554,708	24,186,178	6,398,376,831

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	1,079,284,418	-	-	1,079,284,418
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	2,985,195,150	2,461,070,726	10,237,748	5,456,503,624

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

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 2020
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	22,491,997	(22,491,997)
6 months	1,332,975	(1,332,975)
12 months	(2,662,588)	2,662,588
	21,162,385	**(21,162,385)**

Interest sensitivity analysis- December 2019
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	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)**

Bank
Interest sensitivity analysis - December 2020
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	19,471,323	(19,471,323)
6 months	1,330,360	(1,330,360)
12 months	(1,772,323)	1,772,323
	19,029,360	**(19,029,360)**

Interest sensitivity analysis - December 2019
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	22,197,970	(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)**

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 fair value through other comprehensive income. Since an increase in yields would lead to decline in market values of bonds and treasury bills, the analysis was carried out to show the likely impact of 50 and 100 basis points increase in market yields. The impact of held for trading investments is on the income statement while the impact of available for sale instruments is on the statement of other comprehensive income.

Group

December 2020	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive income			
Investment under management T-Bills			
Fair value through profit or loss: Bonds	91,883,585	(1,275,093)	(2,513,415)
Fair value through profit or loss: T-bills	116,036,126	(340,287)	(680,574)
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	85,006,604	(202,401)	(404,802)
	292,926,315	(1,817,780)	(3,598,791)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	149,329,224	(2,047,060)	(3,990,249)
-Financial assets at FVOCI-Tbills	748,222,549	(2,792,500)	(5,585,000)
Financial assets at FVOCI - Bonds - Pledged	2,617,080	(97,230)	(189,434)
Financial assets at FVOCI - T-Bills - Pledged	999,521	(548)	(1,096)
	901,168,375	(4,937,338)	(9,765,779)
TOTAL	**1,194,094,690**	**(6,755,119)**	**(13,364,569)**

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)**

Bank

December 2020	**Carrying Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	12,488,649	(376,059)	(734,637)
Fair value through profit or loss: T-bills	97,719,848	(307,073)	(614,145)
Fair value through profit or loss: Bonds - Pledged	-	-	-
Fair value through profit or loss: T-bills - Pledged	85,006,604	(202,401)	(404,802)
	195,215,101	(885,532)	(1,753,584)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	44,296,019	(1,706,329)	(3,312,000)
-Financial assets at FVOCI-Tbills	608,866,687	(2,770,975)	(5,541,949)
Financial assets at FVOCI - Bonds - Pledged	2,617,080	(97,230)	(189,434)
Financial assets at FVOCI - T-Bills - Pledged	999,521	(548)	(1,096)

	656,779,307	(4,575,083)	(9,044,480)
TOTAL	**851,994,408**	**(5,460,615)**	**(10,798,065)**

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)**

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 2020. 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 2020
Naira weakens by 5%	7,655,043

In thousands of naira	Impact on statement of comprehensive income December 2019
Naira weakens by 5%	16,335,612

Bank

In thousands of naira	Impact on statement of comprehensive income December 2020
Naira weakens by 5%	4,342,160

	Impact on statement of comprehensive income December 2019
Naira weakens by 5%	2,566,064

The NGN/USD exchange rate applied in the conversion of balances as at year end is N400.33/USD1 (2019: N364.70/USD1). The strengthening or weakening of Naira may not produce symmetrical results depending on the proportion and nature of balance sheet and the impact of derivatives.

Market Risk for Hedging instruments	December 2020
Total exposure to foreign exchange risk	**N'000**
Derivative assets (fair value hedge)	232,534,048
Interest bearing loans and borrowings	(333,353,150)
Deposits from other financial institutions	(823,296,615)

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 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Tier 1 capital with adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	252,396,876	225,118,811	206,896,034	192,378,618
Add back IFRS impact(adjusted day one impact)	39,626,943	79,253,886	39,626,943	79,253,886
Other reserves	239,494,174	124,733,788	195,188,164	98,751,022
Non-controlling interests	7,338,726	8,528,833	-	-
	790,668,183	**689,446,782**	**693,522,605**	**622,194,988**
Add/(Less):				
Fair value reserve for available-for-sale	(60,106,564)	(964,243)	(59,574,139)	(835,472)
Foreign currency translation reserves	(18,132,330)	(11,780,013)	-	-
Other reserves	(876,762)	(1,881,768)	(876,761)	(1,881,767)
Total Tier 1	**711,552,525**	**674,820,757**	**633,071,703**	**619,477,748**
Add/(Less):				
Deferred tax assets	(4,240,448)	(8,807,563)	-	-
Regulatory risk reserve	(46,425,978)	(18,091,941)	(36,180,585)	(9,483,000)
Intangible assets	(69,189,841)	(65,932,754)	(67,496,078)	(71,003,729)
Adjusted Tier 1	**591,696,258**	**581,988,499**	**529,395,040**	**538,991,020**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)
Eligible Tier 1	**591,696,258**	**581,988,499**	**447,269,274**	**473,261,665**
Tier 2 capital				
Debt securities issued	237,633,454	128,469,000	237,633,454	128,469,000
Fair value reserve for available-for-sale securities	60,106,564	964,243	59,574,139	835,472
Foreign currency translation reserves	18,132,330	11,780,013	-	-
Other reserves	876,762	1,881,768	876,761	1,881,767
Total Tier 2	**316,749,110**	**143,095,024**	**298,084,355**	**131,186,239**

Adjusted Tier 2 capital (33% of Tier 1)	**197,212,363**	**143,095,024**	**176,447,368**	**131,186,240**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)
Eligible Tier 2	**197,212,363**	**143,095,024**	**94,321,602**	**65,456,885**
Total regulatory capital	**788,908,621**	**725,083,522**	**541,590,876**	**538,718,550**
Risk-weighted assets	**3,827,611,095**	**3,621,011,364**	**3,145,109,947**	**3,052,419,013**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	20.61%	20.02%	17.22%	17.65%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15.46%	16.07%	16.83%	17.66%
IFRS 9 Regulatory Transition Arrangement computation				
IFRS 9 impact	(264,255,539)	(264,255,539)	(264,255,539)	(264,255,539)
Transfer from regulatory risk reserve	66,120,824	66,120,824	66,120,824	66,120,824
Net impact	(198,134,715)	(198,134,715)	(198,134,715)	(198,134,715)
Provision basis	0.20	0.20	0.20	0.20
IFRS 9 Regulatory Transition Arrangement	**39,626,943**	**39,626,943**	**39,626,943**	**39,626,943**

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

Capital adequacy ratio without adjustment

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

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Tier 1 capital without adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	252,396,876	225,118,811	206,896,034	192,378,618
Other reserves	239,494,174	124,733,788	195,188,164	98,751,022
Non-controlling interests	7,338,726	8,528,833	-	-
	751,041,240	**610,192,896**	**653,895,662**	**542,941,103**
Add/(Less):				
Fair value reserve for available-for-sale	(60,106,564)	(964,243)	(59,574,139)	(835,472)
Foreign currency translation reserves	(18,132,330)	(11,780,013)	-	-
Other reserves	(876,762)	(1,881,768)	(876,761)	(1,881,767)
Total Tier 1	**671,925,584**	**595,566,873**	**593,444,761**	**540,223,864**
Add/(Less):				
Deferred tax assets	(4,240,448)	(8,807,563)	-	-
Regulatory risk reserve	(46,425,978)	(18,091,941)	(36,180,585)	(9,483,000)
Intangible assets	(69,189,841)	(65,932,754)	(67,496,078)	(71,003,729)
Adjusted Tier 1	**552,069,317**	**502,734,615**	**489,768,098**	**459,737,135**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)
Eligible Tier 1	**552,069,317**	**502,734,615**	**407,642,332**	**394,007,780**
Tier 2 capital				
Debt securities issued	237,633,454	128,469,000	237,633,454	128,469,000
Fair value reserve for available-for-sale securities	60,106,564	964,243	59,574,139	835,472
Foreign currency translation reserves	18,132,330	11,780,013	-	-
Other reserves	876,762	1,881,768	876,761	1,881,767
Total Tier 2	**316,749,110**	**143,095,024**	**298,084,355**	**131,186,239**
Adjusted Tier 2 capital (33% of Tier 1)	**184,004,703**	**143,095,024**	**163,239,707**	**131,186,239**
50% Investments in subsidiaries	-	-	(82,125,766)	(65,729,355)
Eligible Tier 2	**184,004,703**	**143,095,024**	**81,113,941**	**65,456,884**
Total regulatory capital	**736,074,020**	**645,829,639**	**488,756,274**	**459,464,665**
Risk-weighted assets	**3,761,490,271**	**3,554,890,540**	**3,078,989,123**	**2,986,298,189**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	19.57%	18.17%	15.87%	15.39%
Total tier 1 capital expressed as a percentage of risk-weighted assets	14.68%	14.14%	15.91%	15.39%

7 Operating segments

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

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

- **Corporate and Investment Banking -** The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank's clients as well as relationship banking services to the Bank's financial institutions customers.

- **Commercial banking** - The commercial banking division has presence in all major cities in the country. It provides commercial banking products and services to the non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.

- **Retail banking –** The retail banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment. The name of this division was recently changed from 'personal banking' to Retail banking' during the year.The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad.

- **Business Banking** - The Business banking division is a hybrid of Commercial and retail Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

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

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

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

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

Unallocated Segments represents all other transactions than are outside the normal course of business and can not be directly related to a specific segment financial information.
Thus, in essence, unallocated segments reconcile segment balances to group balances. Material items comprising total assets and total liabilities of the unallocated segments have been outlined below;
Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the income statement.

Material total assets and liabilities	**Group December 2020**	**Restated Group December 2019**
In thousands of Naira		
Other Assets	1,548,891,263	1,055,510,452

Deferred tax asset	4,240,448	8,807,563
Assets Held for Sale	28,318,467	24,957,519
Goodwill	11,782,170	11,782,170
	1,593,232,348	**1,101,057,704**
Other liabilities	379,416,799	324,333,873
Debt Securities issued	169,160,059	157,987,877
Interest-bearing loans and borrowings	791,455,239	586,602,830
Deferred tax liability	14,877,283	11,272,928
Retirement Benefit Obligation	4,941,268	3,609,037
Total liabilities	**1,359,850,648**	**1,083,806,545**

Material revenue and expenses

	Group December 2020	Group December 2019
Interest expense on debt securities issued		
Interest expense on debts	(19,305,651)	(22,913,352)
	(19,305,651)	**(22,913,352)**

7a Operating segments (continued)
Group
December 2020

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Retail Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	290,754,129	224,040,241	58,372,043	191,551,030	-	764,717,442	764,717,442
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	290,754,129	224,040,241	58,372,043	191,551,030	-	764,717,442	764,717,442
Interest Income	195,403,752	148,318,507	40,117,256	105,377,191	-	489,216,706	489,216,706
Interest expense	(101,605,187)	(56,706,605)	(14,692,734)	(33,956,487)	(19,305,651)	(226,266,663)	(226,266,663)
Impairment Losses	(15,608,523)	(20,245,461)	(12,789,573)	(14,249,564)	-	(62,893,120)	(62,893,120)
Profit/(Loss) on ordinary activities before	55,895,545	41,865,651	5,704,894	22,456,032	-	125,922,123	125,922,123
Income tax expense	(7,171,570)	(9,057,512)	(753,916)	(2,929,435)	-	(19,912,433)	(19,912,433)
Profit after tax						106,009,690	106,009,690
Assets and liabilities:							
Loans and Advances to banks and customers	1,399,422,889	1,968,269,298	139,723,758	103,512,388	-	3,610,928,333	3,610,928,333
Goodwill		-	-	-	11,782,170	11,782,170	11,782,170
Tangible segment assets	2,902,215,498	3,649,593,598	299,874,847	234,831,429	-	7,086,515,373	7,086,515,373
Unallocated segment assets	-	-	-	-	1,593,232,348	1,593,232,348	1,593,232,348
Total assets	2,902,215,498	3,649,593,598	299,874,847	234,831,429	1,593,232,348	8,679,747,721	8,679,747,721
Deposits from customers	1,859,947,455	1,292,933,544	509,183,415	1,925,353,800	-	5,587,418,213	5,587,418,213
Segment liabilities	2,172,957,657	1,626,316,850	575,848,916	2,193,732,411	-	6,568,855,834	6,568,855,834
Unallocated segment liabilities	-	-	-	-	1,359,850,648	1,359,850,648	1,359,850,648
Total liabilities	2,172,957,657	1,626,316,850	575,848,916	2,193,732,411	1,359,850,648	7,928,706,483	7,928,706,483
Net assets	729,257,841	2,023,276,748	(275,974,070)	(1,958,900,982)	233,381,700	751,041,238	751,041,240

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

December 2019
Operating segments (continued)

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	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	264,530,075	139,044,168	30,646,235	79,435,182	-	513,655,660	513,655,660
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)	(259,617,791)	(259,617,791)
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	76,773,700	19,416,879	1,084,898	18,103,102	-	115,378,579	115,378,579
Income tax expense	(4,777,999)	(5,899,391)	(750,595)	(6,440,934)		(17,868,920)	(17,868,920)
Profit after tax						97,509,659	97,509,659

December 2019

	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Assets and liabilities:							
Loans and Advances to banks and custom	1,370,155,157	1,283,314,337	143,528,577	267,406,717	-	3,064,404,788	3,064,404,788
Goodwill	-	-	-	-	11,782,170	11,782,170	11,782,170
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. The basis of accounting of transactions among reportable operating segments is on accrual basis.

7b Geographical segments

The Group operates in three geographic regions, being:
- Nigeria
- Rest of Africa
- Europe

December 2020

In thousands of Naira	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Discontinued Operations	Intercompany elimination	Total
Derived from external customers	635,659,022	89,016,497	49,309,812	773,985,332	-	(8,472,637)	765,512,695
Derived from other segments	-	-	-	-	-	-	-
Total revenue	635,659,022	89,016,497	49,309,812	773,985,332	-	(8,472,637)	765,512,695
Interest income	396,678,298	62,344,622	38,508,141	497,531,062	-	(8,314,357)	489,216,704
Impairment losses	(39,650,580)	(2,032,882)	(21,209,659)	(62,893,120)	-	-	(62,893,120)
Interest expense	(198,403,593)	(25,408,814)	(10,768,614)	(234,581,021)	-	8,314,357	(226,266,663)
Net fee and commission income	74,235,193	39,866,505	(20,528,273)	93,573,424	-	-	93,573,424
Operating income	437,255,430	63,607,684	38,541,198	539,404,311	-	(158,280)	539,246,031
Profit before income tax	90,195,877	28,456,442	7,269,804	125,922,123	-	-	125,922,123
Assets and liabilities:							
Loans and advances to customers and banks	3,050,664,007	121,469,257	718,027,311	3,890,160,575	-	(279,232,242)	3,610,928,333
Total assets	7,624,979,724	642,141,021	937,200,529	9,204,321,274	-	(524,573,550)	8,679,747,721
Deposit from customers	4,832,744,498	421,675,525	332,998,195	5,587,418,217	-	-	5,587,418,216
Total liabilities	6,971,084,063	512,458,350	802,014,849	8,285,557,262	-	(356,850,777)	7,928,706,487
Net assets	653,895,661	129,682,671	135,185,680	918,764,012	-	(167,722,777)	751,041,235

December 2019	**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	79,213,716	12,166,977	20,544,826	115,378,579	-	-	111,925,519

December 2019							
Assets and liabilities:							
Loans and advances to customers and banks	2,646,036,672	109,740,491	575,848,422	3,331,625,585	-	(267,220,794)	3,064,404,791
Total assets	6,311,041,282	463,255,864	923,193,664	7,697,490,810	-	(550,880,666)	7,146,610,143
Deposit from customers	3,668,339,811	306,476,348	281,021,142	4,255,837,302	-	-	4,255,837,302
Total liabilities	5,768,100,182	398,118,129	782,025,377	6,948,243,684	-	(411,814,937)	6,536,428,751
Net assets	542,941,104	65,137,735	141,168,287	749,247,131	-	(139,065,728)	610,181,397

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 2020 and for the year ended 31 December 2019. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.

8 Interest income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Interest income				
Cash and balances with banks	11,955,018	9,210,581	8,786,852	6,089,179
Loans and advances to banks	13,088,360	5,574,597	8,860,342	2,585,672
Loans and advances to customers	309,535,992	328,635,871	262,227,517	289,543,542
Investment securities				
-Financial assets at FVOCI	54,950,536	69,903,209	32,119,688	58,416,243
-Financial assets at amortised cost	36,136,132	40,225,955	30,115,126	34,824,373
	425,666,037	453,550,213	342,109,524	391,459,009
-Financial assets at FVPL	63,550,668	83,296,576	54,568,774	80,009,759
	489,216,705	**536,846,789**	**396,678,297**	**471,468,769**
Interest expense				
Deposit from financial institutions	58,238,619	44,108,564	59,054,574	45,307,058
Deposit from customers	118,437,140	168,565,047	94,931,205	147,879,993
Debt securities issued	19,305,651	22,913,352	19,305,651	22,913,352
Lease liabilities	4,524,454	1,122,276	549,938	742,970
Interest bearing borrowings and other borrowed funds	25,760,799	22,908,552	24,562,225	21,865,024
	226,266,663	**259,617,791**	**198,403,593**	**238,708,397**
Net interest income	**262,950,042**	**277,228,998**	**198,274,704**	**232,760,371**

Interest income for the year ended 31 December 2020 includes interest accrued on impaired financial assets of Group: N4.67Bn (31 December 2019: N3.21Bn) and Bank: N4.47Bn (31 December 2019: N408.46Mn).

The Group experienced significant reduction in interest expense attributable to the drop in interest payout for savings accounts based on the decision to reduce interest on savings to 10% of monetary policy rate (MPR) from 12%. This also stems from the fact that the deposit mix contains a significant portion of savings account category as can be seen from Note 33. The decrease in interest income is attributable to drop in yield of securities and decreased level of trading activities during the year.

9 Net impairment charge on financial assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Allowance for impairment on loans and advance to banks (note 22)	(1,188,950)	(1,537,520)	(1,098,823)	(1,281,782)
Allowance for impairment on loans and advance to customers	(60,346,132)	(20,032,578)	(37,501,273)	(21,412,497)
Write back/(allowance) on impairment on financial assets in other assets (note 26)	(2,634,937)	3,200,712	(2,431,517)	3,220,284
Allowance for impairment on off balance sheet items (note 34c)	1,741,908	(1,266,048)	1,733,988	(1,190,751)
Allowance for impairment on money market placement (note 18b)	(113,411)	(91,339)	(32,880)	(534)
(Allowance)/write back of impairment on investment securities	(341,797)	(462,619)	(310,276)	(390,201)
Allowance write back of impairment on pledged assets	(9,801)	-	(9,801)	-
	(62,893,120)	(20,189,392)	(39,650,583)	(21,055,481)

10 (a) Fee and commission income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Credit related fees and commissions	32,535,663	26,561,530	21,948,207	17,683,528
Account maintenance charge and handling commission	15,112,706	14,006,591	14,540,673	13,094,190
Commission on bills and letters of credit	2,186,289	2,997,936	1,982,436	2,795,349
Commissions on collections	650,733	317,824	516,078	217,392
Commission on other financial services	6,750,542	7,870,500	4,006,997	5,502,930
Commission on foreign currency denominated transactions	2,711,097	2,413,190	1,036,431	1,626,951
Channels and other E-business income	56,092,578	36,040,864	52,204,077	32,979,392
Retail account charges	660,741	1,636,968	444,133	1,465,506
	116,700,349	**91,845,403**	**96,679,032**	**75,365,238**

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. The representation of all fees and commission recognised in the year and prior year at a point in time and over a period of time is as shown below.

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Point in Time	108,633,355	84,745,586	94,688,344	72,038,314
Over Time	8,066,994	7,099,817	1,990,688	3,326,924
	116,700,349	**91,845,403**	**96,679,031**	**75,365,238**

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	December 2020	December 2019	December 2020	December 2019
Bank and electronic transfer charges	3,651,408	2,231,967	2,940,445	1,549,919
E-banking expense	19,475,517	15,566,083	19,503,394	15,565,975
	23,126,925	**17,798,050**	**22,443,839**	**17,115,894**

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

11 Net gain on financial instruments at fair value

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

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Trading gains on Fixed income securities	31,737,343	37,845,695	27,014,805	36,551,404
Fair value gains/ (loss) on Fixed income securities	8,169,463	2,265,686	8,169,463	2,265,686
Fair value Gain/(loss) on non-hedging derivatives	51,641,956	14,208,379	50,247,142	14,199,030
Fair value gain/(loss) on equity investments	28,608,430	11,237,409	28,608,431	11,237,409
Total Net gain on financial instruments at fair value through profit or loss	**120,157,192**	**65,557,169**	**114,039,841**	**64,253,529**

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

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Debt instruments at FVOCI				
Fixed income securities	2,532,544	545,105	2,128,188	458,072
	2,532,544	**545,105**	**2,128,188**	**458,072**
Total	**122,689,735**	**66,102,274**	**116,168,029**	**64,711,601**

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

Fair value gain on equity investments is from investments in which the Bank has interests. Based on IFRS 9, the Bank measures changes in fair value of equity investments through profit or loss.

Gain on derivative instruments are from transactions to which the Bank is a party in the normal course of business and are held at fair value. Derivative financial instruments consist of forward, swap and future contracts.

12 (a) Net foreign exchange gain/(loss)

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Foreign exchange Gain/(loss) on items not hedged	16,790,542	-	5,654,447	-
Foreign exchange realized trading gain/(loss)	27,875,594	(64,823,168)	27,742,803	(76,009,215)
Unrealised foreign exchange loss on revaluation	(52,234,392)	(19,053,227)	(49,943,169)	(17,029,703)
Total Net Foreign Exchange Gain/(Loss)	**(7,568,256)**	**(83,876,395)**	**(16,545,920)**	**(93,038,918)**

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

Net gain on fair value hedge (Hedging ineffectiveness)	(795,254)	-	(795,254)	-
	(795,254)	**-**	**(795,254)**	**-**

Dec-20 **Fair value hedges**	**Average strike price** **N'000**	**Nominal amount of hedging instrument** **N'000**	**Carrying amount of hedging instrument (Assets)** **N'000**	**Changes in fair value used for calculating hedge ineffectiveness** **N'000**
Foreign exchange risk on liabilities	363.71	944,300,000	232,534,048	37,173,124

*The liabilities are interest bearing loans and deposits from financial institutions denominated in USD.
The hedging instrument is recognised within derivative financial assets on the statement of financial position.

	Carrying amount of hedged item		**Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item**		**Line item in the statement of financial position where the hedging instrument is located**
	Assets	**Liabilities**	**Assets**	**Liabilities**	
Dec-20	**N'000**	**N'000**	**N'000**	**N'000**	
Fair value hedges					
Foreign exchange risk on foreign currency loan - Interest bearing loan	-	333,353,150	-	9,941,361	Interest bearing borrowings
Foreign exchange risk on foreign currency loan - Deposit from financial institution	-	823,296,615	-	32,250,865	Deposit from financial institution

Dec 2020	**Hedge ratio**	**Change in the value of the hedging instrument recognised in other comprehensive income**	**Hedge ineffectiveness recognised in profit or loss**	**Line item in profit or loss (that includes hedge ineffectiveness)**	**Amount reclassified from the cash flow hedge reserve to profit or loss**
Fair value hedge					
Hedging reserve - Fair value changes in hedging instrument (forward element)	90%	37,173,124	(795,254)	Net loss on fair value hedge (Hedging ineffectiveness)	N/A

Dec 2020	**Ineffectiveness recognised in profit or loss**
'Fair value hedges	**N'000**
Foreign exchange risk on foreign currency interest bearing borrowings and deposit from financial institutions	(795,254)

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

Dec 2020	0-3 months	3-12 months	1-5 years	5-20 years	20+ years
Fair value hedging					
Hedging assets	-	206,986,509	25,547,539	-	-

For hedges of foreign currency liabilities, the Bank enters into hedge relationships where the critical terms of the hedging instrument are closely aligned with the terms of the hedged item. The Bank therefore performs a qualitative assessment of effectiveness. Sources of ineffectiveness include timing differences between the settlement dates of the hedged item and hedging instruments, quantity or notional amount differences between the hedged item and hedging instrument and credit risk of the Bank and its counterparty to the forward contract.

13 Other operating income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Dividends on equity securities	2,319,994	3,151,485	2,319,993	3,151,485
Gain on disposal of property and equipment	1,987,366	594,872	1,978,982	183,049
Rental income	4,633	5,193	-	-
Bad debt recovered	34,585,475	38,389,088	34,392,933	37,783,409
Cash management charges	932,226	932,805	932,226	932,805
Income from agency and brokerage	401,871	475,587	263,363	466,801
Income from asset management	1,964,179	2,953,236	1,964,179	2,953,236
Income from other investments	1,510,836	845,403	339,700	-
Income from other financial services	727,582	8,462,861	448,208	8,082,700
Income from sale of investment property	40,000	-	40,000	-
Valuation gain on investment property	-	25,000	-	-
	44,474,162	55,835,530	42,679,583	53,553,485

Included in income from agency and brokerage is an amount of N30.65m (Dec 2019: N31.65m) representing the referral commission earned from bancassurance products.

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Point in Time	44,469,529	55,830,336	42,679,584	53,553,485
Over time	4,633	5,193	-	-
	44,474,162	55,835,529	42,679,584	53,553,485

14 Personnel expenses

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Wages and salaries	68,950,948	73,155,267	51,463,244	57,763,464
Increase in defined benefit obligation (see note 37 (a) (i))	782,313	600,060	782,312	600,060
Contributions to defined contribution plans	2,387,216	2,188,696	1,526,781	1,364,008
Restricted share performance plan (b)	1,052,699	1,020,115	818,383	985,315
	73,173,177	76,964,139	54,590,721	60,712,847

(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 year 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 year 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

Description of shares		December 2020 Number of Shares	December 2020 Weighted Share Price per Share - Naira	December 2019 Number of Shares	December 2019 Weighted Share Price per Share - Naira
(i)	Outstanding at the beginning of the year;	563,504,767	8.28	522,296,572	7.93
(ii)	Granted during the year;	28,626,620	6.57	139,165,301	6.08
(iii)	Forfeited during the year;	(104,113,884)	9.36	(87,191,262)	9.36
(iv)	Exercised during the year;	(97,490,776)	10.65	(181,372,881)	5.66
(v)	Allocated at the end of the year;	390,526,727	8.50	392,897,730	8.42
(vi)	Shares under the scheme at the end of the year	729,103,014	8.61	563,504,767	8.28
		Naira ('000)	Price per Share - Naira	Naira ('000)	Price per Share - Naira
Share based expense recognised during the year		1,052,699	8.50	1,020,115	8.42

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Grant Date	Vesting year	Expiry date	Shares
Outstanding allocated shares for the 2018 - 2021 vesting period	1 July 2017	2018-2021	1 Jul 2021	27,114,748
Outstanding allocated shares for the 2019 - 2022 vesting period	1 Jan 2018	2019-2022	1 Jul 2022	90,144,982
Outstanding allocated shares for the 2019 - 2022 vesting period	1 July 2018	2019-2022	1 Jul 2022	19,502,038
Outstanding allocated shares for the 2020 - 2023 vesting period	1 Jul 2019	2020-2023	1 Jul 2023	253,764,959
				390,526,727

Bank

Description of shares		December 2020 Number of Shares	December 2020 Weighted Share Price per Share - Naira	December 2019 Number of Shares	December 2019 Weighted Share Price per Share - Naira
(i)	Outstanding at the beginning of the year;	492,053,323	8.28	451,894,911	8.04
(ii)	Granted during the year;	-	-	138,115,518	6.80
(iii)	Forfeited during the year;	(104,113,884)	9.36	(87,191,262)	9.36
(iv)	Exercised during the year;	(90,542,767)	10.00	(181,372,881)	5.66
(v)	Allocated at the end of the year;	**297,396,672**	10.95	**321,446,286**	9.17
(vi)	Shares under the scheme at the end of the year	635,972,959	8.61	492,053,323	8.28
		Naira ('000)	**Price per Share - Naira**	**Naira ('000)**	**Price per Share - Naira**
Share based expense recognised during the year		818,383	10.95	985,315	9.17

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Grant Date	Vesting year	Expiry date	Shares
Outstanding allocated shares for the 2018 - 2021 vesting period	1 July 2017	2018-2021	1 Jul 2021	18,206,174
Outstanding allocated shares for the 2019 - 2022 vesting period	1 Jan 2018	2019-2022	1 Jul 2021	75,236,408
Outstanding allocated shares for the 2019 - 2022 vesting period	1 July 2018	2019-2022	1 Jul 2021	7,554,147
Outstanding allocated shares for the 2020 - 2023 vesting period	1 Jan 2019	2020-2023	1 Jul 2021	102,890,780
				203,887,508

i. The weighted average remaining contractual life of the outstanding allocated shares is :

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
	years	**years**	**years**	**years**
Weighted average contractual life of remaining shares	2.08	0.65	1.23	0.60

Under the restricted share performance plan, N804.32 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 2020	Group December 2019	Bank December 2020	Bank December 2019
	Number	**Number**	**Number**	**Number**
Managerial	386	345	284	292
Other staff	6,395	6,553	5,150	5,578
	6,781	**6,898**	**5,434**	**5,870**

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 2020	Group December 2019	Bank December 2020	Bank December 2019
	Number	Number	Number	Number
Below N900,000	-	-	-	-
N900,001 - N1,990,000	-	-	-	-
N1,990,001 - N2,990,000	836	612	836	612
N2,990,001 - N3,910,000	3	3	3	3
N3,910,001 - N4,740,000	1,081	1,404	743	1,135
N4,740,001 - N5,740,000	8	6	4	6
N5,740,001 - N6,760,000	1,857	1,894	1,580	1,677
N6,760,001 - N7,489,000	-	-	-	-
N7,489,001 - N8,760,000	1,079	1,093	831	882
N8,760,001 - N9,190,000	882	877	655	714
N9,190,001 - N11,360,000	-	-	-	-
N11,360,001 - N14,950,000	649	652	498	547
N14,950,001 - N17,950,000	-	-	-	-
N17,950,001 - N21,940,000	158	157	131	136
N21,940,001 - N26,250,000	132	97	85	85
N26,250,001 - N30,260,000	-	-	-	-
N30,261,001 - N45,329,000	75	79	56	58
Above N45,329,000	21	24	12	15
	6,781	**6,898**	**5,434**	**5,870**

In line with the provision of S.238 of CAMA 2020, the Remuneration of the managers of the company for the year ended Dec 2020 amounted to N3.73Bn (Dec 2019: N3.88Bn).

15 Other operating expenses

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Premises and equipment costs	15,584,830	13,362,597	13,587,535	11,632,172
Professional fees	9,246,562	6,593,943	7,066,566	5,398,715
Insurance	1,093,099	1,178,801	637,594	922,740
Business travel expenses	7,148,515	10,497,508	6,697,072	9,663,527
Asset Management Corporation of Nigeria (AMCON) surcharge	35,435,426	22,664,874	35,435,426	22,664,874
Bank charges	8,652,574	5,943,323	6,942,684	4,702,183
Deposit insurance premium	15,483,399	13,091,170	15,137,261	13,003,914
Auditor's remuneration	1,017,383	819,940	603,000	603,000
Administrative expenses	15,532,919	11,387,154	14,704,381	8,200,832
Merger expense	-	6,589,718	-	6,589,718
Board expenses	1,101,914	1,063,681	760,644	732,361
Communication expenses	7,528,371	3,326,899	6,147,800	2,202,869
IT and e-business expenses	18,739,108	9,772,169	15,466,830	8,107,826
Outsourcing costs	25,070,011	16,668,063	23,866,650	15,666,157
Advertisements and marketing expenses	11,323,254	6,273,743	10,607,889	5,686,650
Recruitment and training	5,015,579	2,207,379	4,753,818	1,828,270
Events, charities and sponsorship	8,780,654	5,688,399	8,541,672	5,437,900
Periodicals and Subscriptions	567,422	722,989	219,211	455,743
Security expenses	7,872,464	4,295,939	7,082,899	3,790,966
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	9,935,636	3,656,564	9,627,717	3,509,930
Stationeries, postage and printing	5,890,667	1,937,080	5,511,435	1,599,097
Office provisions and entertainment	2,455,287	720,634	2,250,092	472,112
Rent expenses	2,331,832	2,219,415	1,871,553	1,699,092
	215,806,908	**151,098,110**	**197,519,728**	**134,986,773**

16 Income tax

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Current tax expense				
Corporate income tax	8,766,873	10,103,420	-	-
Minimum tax	1,581,359	2,981,861	1,581,359	2,981,861
IT tax	903,761	831,693	901,959	826,668
Education tax	4,512	9,895	-	-
Capital gains tax	127,162	7,274	127,162	7,274
Police fund tax levy	4,510	4,151	4,510	4,133
Prior year's under provision	-	88	-	-
	11,388,176	13,938,382	2,614,989	3,819,936
Deferred tax expense				
Origination of temporary differences	8,524,257	3,930,538	7,541,560	5,277,786
Income tax expense	19,912,433	17,868,919	10,156,549	9,097,722
Items included in OCI	(122,809)	145,140	(122,809)	145,140

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

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 2020	Group December 2019	Bank December 2020	Bank December 2019
Balance at the beginning of the year	3,531,410	4,057,861	1,409,435	2,939,801
Acquired from business combination	-	472,844	-	327,525
Tax paid	(12,165,887)	(14,686,580)	(833,942)	(5,677,826)
Income tax charge	11,388,177	13,938,382	2,614,990	3,819,936
Prior year's under/excess provision	-	-	-	-
Withholding tax utilization	(643,591)	-	(643,591)	-
Translation adjustments	49,812	(251,097)	-	-
Balance at the end of the year	**2,159,921**	**3,531,410**	**2,546,892**	**1,409,435**

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 2020	Group December 2020	Group December 2019	Group December 2019
Profit before income tax		125,922,127		111,925,519
Income tax using the domestic tax rate	30%	37,773,637	30%	33,577,656
Effect of tax rates in foreign jurisdictions	-2%	(1,995,637)	-5%	(5,724,659)
Information technology tax	1%	905,477	1%	830,185
Capital allowance utilised for the year	0%	-	0%	-
Non-deductible expenses	42%	53,426,666	23%	25,885,701
Tax exempt income	-46%	(58,542,813)	-41%	(45,917,989)
Tax losses unutilised	0%	-	0%	-
Education tax levy	0%	9,895	0%	9,895
Capital gain tax	0%	127,162	0%	6,281
Capital allowance	-9%	(11,791,953)	8%	9,201,850
Under provided in prior years	0%	-	0%	-
Minimum tax effect	0%	-	0%	-
Effective tax rate	**16%**	**19,912,435**	**16%**	**17,868,920**

In thousands of Naira	**Bank December 2020**	**Bank December 2020**	**Bank December 2019**	**Bank December 2019**
Profit before income tax		90,195,880		90,195,880
Income tax using the domestic tax rate	30%	27,058,764	30%	27,058,764
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	901,959	1%	826,668
Non-deductible expenses	46%	41,075,875	22%	19,810,104
Tax exempt income	-78%	(70,037,820)	-53%	(47,811,068)
Education tax levy	0%	-	0%	-
Capital gain tax	0%	127,162	0%	7,274
Nigerian Police fund levy	0%	4,510	0%	4,132
Effect of prior year under provision	0%	-	0%	-
Capital allowance	0%	-	10%	9,201,850
Origination and reversal of temporary deferre	8%	7,541,560		
Company income Tax	2%	1,903,181		
Minimum tax effect	2%	1,581,358	0%	-
Effective tax rate	**11%**	**10,156,549**	**10%**	**9,097,723**

Current income tax liabilities are due within 12 months from the year end date

Classified as:				
Current	2,159,921	3,531,410	2,546,892	1,409,435
Non current	-	-	-	-

17 Earnings per share

(a) Basic from continuing operations

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

In thousands of Naira	Group December 2020	Restated Group December 2019	Bank December 2020	Restated Bank December 2019
Profit for the year from continuing operations	104,682,980	93,048,862	80,039,328	70,115,994
Weighted average number of ordinary shares in issue	35,545,226	33,890,912	35,545,226	33,890,912
Weighted average number of treasury Shares	729,103	563,505	-	-
	34,816,123	33,327,408	35,545,226	33,890,912
In kobo per share				
Basic earnings per share from continuing operations	301	279	225	207

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 2020	Restated Group December 2019	Bank December 2020	Restated Bank December 2019
Profit for the year from continuing operations	104,682,980	93,048,862	80,039,328	70,115,994
Weighted average number of ordinary shares in issue	35,545,226	33,890,912	35,545,226	33,890,912
In kobo per share				
Diluted earnings per share from continuing operations	295	275	225	207

18 Cash and balances with banks

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Cash on hand and balances with banks (see note (i))	536,708,368	457,085,624	489,653,105	346,003,407
Unrestricted balances with central banks	51,127,105	117,883,814	13,639,189	97,734,073
Money market placements	89,783,183	48,838,459	40,095,277	32,822,516
Other deposits with central banks (see note (ii)	46,459,022	99,347,553	46,459,022	99,347,552
	724,077,678	**723,155,450**	**589,846,594**	**575,907,548**
ECL on Placements	(204,858)	(91,447)	(34,156)	(1,275)
	723,872,820	**723,064,003**	**589,812,439**	**575,906,273**

(i) Included in cash on hand and balances with banks is an amount of N33.93Bn (31 Dec 2019: N25.97Bn) representing the Naira value of foreign currencies held on behalf of customers to cover letter of credit transactions. The corresponding liability is included in customer's deposit for foreign trade reported under other liabilities (see Note 34). This has been excluded for cash flow purposes.

(ii) The balance of N89.3bn 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 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance at beginning of the year	91,446	3,206	1,275	742
Acquired from business combination	-	4,064	-	4,063
-Charge for the year	113,411	91,338	32,880	534
Write off	-	(7,161)	-	(4,064)
Write back	-	-	-	
Closing balance	**204,856**	**91,447**	**34,156**	**1,275**

19 Investment under management

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Relating to unclaimed dividends:				
Government bonds	3,882,771	2,054,650	3,882,771	2,054,650
Placements	6,386,464	9,779,427	6,386,464	9,779,427
Commercial paper	4,132,806	6,849,720	4,132,806	6,849,720
Nigerian treasury bills	6,156,666	4,280,814	6,156,666	4,280,814
Mutual funds	7,109,072	2,889,702	7,109,072	2,889,702
Eurobonds	2,783,687	2,437,646	2,783,687	2,437,646
	30,451,466	**28,291,959**	**30,451,466**	**28,291,959**

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

20 Non pledged trading assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Government bonds	91,841,202	40,021,277	12,488,649	2,222,417
Eurobonds	74,615	-	74,615	-
Treasury bills	116,036,126	89,797,962	97,719,848	74,749,344
	207,951,943	**129,819,239**	**110,283,112**	**76,971,761**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2020		December 2019	
Group				
Foreign exchange derivatives				
Total derivative assets	**1,132,096,948**	**251,112,744**	**1,200,294,464**	**143,520,553**
Non-deliverable future contracts	-	9,126,853	-	1,073,677
Forward and swap contracts	1,132,096,948	241,985,892	1,215,811,042	142,446,876
Total derivative liabilities	**301,693,689**	**(20,880,529)**	**82,812,664**	**(6,885,680)**
Non-deliverable future contracts	-	(9,126,851)	-	(1,027,272)
Forward and swap contracts	301,693,689	(11,753,678)	82,812,664	(5,858,408)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2020		December 2019	
Bank				
Foreign exchange derivatives				
Total derivative assets	**1,089,971,280**	**244,564,046**	**1,150,759,629**	**143,480,073**
Non-deliverable future contracts	-	9,126,853	-	1,073,677
Forward and swap contracts	1,089,971,280	235,437,193	1,150,759,629	142,406,396
Total derivative liabilities	**227,896,259**	**(20,775,722)**	**78,393,273**	**(6,827,293)**
Non-deliverable future contracts	-	(9,126,852)	-	(1,027,272)
Forward and swap contracts	227,896,259	(11,648,870)	78,393,273	(5,800,021)

	December 2020 Fair Value	
	Group	**Bank**
Current (Hedging Instruments)	207,172,300	206,986,509
Non- Current (Hedging Instruments)	25,567,644	25,547,539
Current (Non-Hedging Instruments)	(2,507,729)	(8,745,723)
Non- Current (Non-Hedging Instruments)	-	-

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

22 Loans and advances to banks

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Loans and advances to banks	393,473,191	154,450,204	232,086,898	165,774,988
Less allowance for impairment losses	(651,884)	(1,625,123)	(298,622)	(1,361,987)
	392,821,307	**152,825,081**	**231,788,276**	**164,413,001**

Group

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	599,195	-	-	599,195
Standard grade	188	-	-	188
Non Investment	-	-	52,501	52,501
Total	**599,383**	**-**	**52,501**	**651,884**

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	270,188	-	1,354,935	1,625,122
-Charge for the year:				
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the year	329,619	-	859,330	1,188,950
Amounts written off	-	-	(2,162,189)	(2,162,189)
At 31 December 2020	**599,449**	**-**	**52,435**	**651,884**

Impairment allowance for loans and advances to banks

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

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Restated ECL allowance as at 1 January 2019	35,178	-	45,026	80,204
Acquired from Business Combination	3,245	-	4,154	7,399
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**	**1,625,123**

Bank

Loans to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
Internal rating grade:				
Investment	245,933	-	-	245,933
Standard grade	188	-	-	188
Non Investment	-	-	52,501	52,501
Total	**246,121**	**-**	**52,501**	**298,622**

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	7,053	-	1,354,935	1,361,987
-Charge for the year:				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the year	239,426	-	859,396	1,098,823
Amounts written off	-	-	(2,162,189)	(2,162,189)
At 31 December 2020	**246,121**	**-**	**52,501**	**298,622**

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	7,053	-	-	7,053
Standard grade	-	-	-	-
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**
ECL allowance as at 1 January 2019	35,178	-	45,027	80,205
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**

23 Loans and advances to customers

a Group

	December 2020
In thousands of Naira	
Loans to individuals	
Retail Exposures	
Auto Loan	12,131,274
Credit Card	23,808,948
Finance Lease (note 23c)	1,581,736
Mortgage Loan	71,940,949
Overdraft	12,603,063
Personal Loan	29,890,378
Term Loan	50,830,204
Time Loan	6,517,424
	209,303,977
Less allowance for expected credit loss	(4,012,055)
	205,291,922
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,002,632
Credit Card	291,342
Finance Lease (note 23c)	2,665,738
Mortgage Loan	55,758,103
Overdraft	341,613,983
Personal Loan	-
Term Loan	2,370,093,900
Time Loan	385,431,589
	3,157,857,286
Less allowance for expected credit loss	(145,042,183)
	3,012,815,103
Loans and advances to customers (Individual and corporate entities and other organizations)	3,367,161,263
Less allowance for expected credit loss	(149,054,237)
	3,218,107,026

Management overlays are made to the impairment models to factor in additional facts that are not fully reflected in the impairment model at year end. These overlays are incorporated into the future model developments where applicable.

As at 31 December 2020, management overlay to the impairment allowance was N2.74bn which represents 1.95% of the total impairment

ECL allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment				-
Standard grade	-	-	-	-
Non-Investment	629,734	431,507	-	1,061,241
Sub-standard grade	-	329,538	2,621,276	2,950,813
Total	**629,734**	**761,045**	**2,621,276**	**4,012,055**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	712,723	1,223,765	3,239,997	5,176,485
- Charge for the year:				
Transfers to Stage 1	64,055	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(44,509)	(1,628,858)	1,673,367	-
Total net P&L charge during the year	7,057	1,401,115	983,277	2,391,449
Amounts written off	-	-	(2,819,383)	(2,819,383)
Translation difference	(69,238)	(283,037)	(384,222)	(736,497)
At 31 December 2020	**629,734**	**761,044**	**2,621,276**	**4,012,055**

Loans to corporate entities and other organizations
In thousands of Naira

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,886,487	4,326,734	-	20,213,221
Standard grade	16,103,406	45,509,751	-	61,613,157
Non-Investment	-	8,394,219	54,829,504	63,223,723
Total	**31,989,893**	**58,230,704**	**54,829,504**	**145,050,100**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	20,708,736	109,914,849	55,590,669	186,214,254
- Charge for the year:				-
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	-
Transfers to Stage 2	(1,580,280)	24,981,107	(23,400,827)	-
Transfers to Stage 3	(10,867,992)	(70,888,932)	81,756,924	-
Total net P&L charge during the year	8,473,613	5,842,676	43,638,394	57,954,683
Amounts written off	-	-	(102,338,382)	(102,338,382)
Translation difference	2,326,193	1,282,805	(389,449)	3,219,549
At 31 December 2020	**31,989,894**	**58,230,706**	**54,829,504**	**145,050,101**

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 ECL/Impairment losses	(5,176,485)
	204,669,488
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	3,203,006
Credit Card	325,196
Finance Lease (note 23c)	4,959,983
Mortgage Loan	61,060,992
Overdraft	281,083,142
Personal Loan	-
Term Loan	2,169,523,811
Time Loan	372,968,343
	2,893,124,472
Less Alowance for ECL/Impairment losses	(186,214,253)
	2,706,910,220
Loans and advances to customers (Individual and corporate entities and other organizations)	3,102,970,446
Less Allowance for ECL/Impairment losses	(191,390,738)
	2,911,579,708

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	712,723	642,545	-	1,355,268
Non-Investment	-	581,220	3,239,997	3,821,217
Sub-standard grade	-	-	-	-
Total	**712,723**	**1,223,765**	**3,239,997**	**5,176,485**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	542,505	490,339	4,641,687	5,674,531
Acquired from Business Combination	3,778,488	257,325	6,028,142	10,063,955
- Charge for the year				
Total net P&L charge during the year	(3,608,271)	476,102	(6,397,737)	(9,529,906)
Amounts written off	-	-	(1,032,094)	(1,032,094)
At 31 December 2019	**712,722**	**1,223,765**	**3,239,998**	**5,176,485**

Loans to corporate entities and other organizations

In thousands of Naira	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,918,337	27,033,883	-	28,952,220
Standard grade	18,790,398	32,848,728	-	51,639,126
Non-Investment	-	50,032,238	55,590,669	105,622,907
Total	**20,708,736**	**109,914,849**	**55,590,669**	**186,214,253**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	26,158,327	40,303,328	16,028,608	82,490,263
Acquired from Business Combination	28,717,717	41,269,036	89,170,100	159,156,853
- Charge for the year	-	-	-	-
Total net P&L charge during the year	(34,167,309)	28,342,484	35,387,308	29,562,484
Amounts written off	-	-	(91,492,193)	(91,492,193)
Translation difference	-	-	6,496,846	6,496,846
At 31 December 2019	**20,708,736**	**109,914,849**	**55,590,669**	**186,214,253**

23 Loans and advances to customers

b Bank

In thousands of Naira	December 2020
Loans to individuals	
Retail Exposures	
Auto Loan	2,302,812
Credit Card	22,330,433
Finance Lease (note 23c)	1,476,588
Mortgage Loan	3,148,606
Overdraft	12,137,933
Personal Loan	14,122,606
Term Loan	49,911,419
Time Loan	3,316,596
	108,746,994
Less Allowance for Expected credit loss	(2,831,594)
	105,915,399
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,002,632
Credit Card	291,064
Finance Lease (note 23c)	2,235,225
Mortgage Loan	-
Overdraft	324,438,511
Term Loan	2,123,869,130
Time Loan	376,334,715
	2,829,171,276
Less Allowance for Expected credit loss	(116,210,945)
	2,712,960,332
Loans and advances to customers (Individual and corporate entities and other organizations)	2,937,918,270
Less Allowance for Expected credit loss	(119,042,539)
	2,818,875,731

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	569,711	431,507	-	1,001,218
Non-Investment	-	9,413	1,820,964	1,830,375
Total	**569,711**	**440,920**	**1,820,964**	**2,831,595**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	632,815	1,117,221	3,026,908	4,776,944
- Charge for the year:				
Transfers to Stage 1	64,055	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the year	(60,790)	1,125,492	104,078	1,168,779
Amounts written off	-	-	(3,114,129)	(3,114,129)
At 31 December 2020	**569,711**	**440,920**	**1,820,964**	**2,831,595**

Loans to corporate entities and other organizations

In thousands of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	15,498,335	4,326,734	-	19,825,069
Standard grade	14,550,801	45,509,751	-	60,060,552
Non-Investment	-	711,224	35,614,100	36,325,324
Sub-standard grade	-	-	-	
Total	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	18,388,167	107,357,778	50,476,532	176,222,477
- Charge for the year:				
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	(0)
Transfers to Stage 2	(1,580,279)	24,981,106	(23,400,828)	-
Transfers to Stage 3	(1,800,198)	(68,961,472)	70,761,670	-
Total net P&L charge during the year	2,799,880	286,524	33,246,089	36,332,493
Amounts written off	-	-	(91,705,461)	(91,705,461)
Foreign exchange revaluation	(688,056)	(214,430)	(3,736,078)	(4,638,564)
At 31 December 2020	**30,049,136**	**50,547,709**	**35,614,101**	**116,210,945**

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
	96,016,233
Less Allowance for ECL/Impairment losses	(4,776,944)
	91,239,289
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
	2,566,606,857
Less Allowance for ECL/Impairment losses	(176,222,475)
	2,390,384,382
Loans and advances to customers (Individual and corporate entities and other organizations)	2,662,623,090
Less Allowance for ECL/Impairment losses	(180,999,419)
	2,481,623,672

Impairment allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

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

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2019	460,839	381,451	4,425,360	5,267,650
Write offs)	3,778,488	257,324	6,028,142	10,063,954
- 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**	**1,117,220**	**3,026,909**	**4,776,944**

Loans to corporate entities and other organizations
In thousands of Naira

	December 2019			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,454,222	27,033,881	-	28,488,103
Standard grade	16,933,943	32,848,728	-	49,782,671
Non-Investment	-	47,475,169	50,476,532	97,951,701
Sub-standard grade	-	-	-	-
Total	**18,388,167**	**107,357,778**	**50,476,532**	**176,222,475**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2019	23,517,781	37,690,005	10,800,514	72,008,300
Acquired from Business Combination	28,717,717	41,263,043	89,170,101	159,150,861
- Charge for the year				
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**	**176,222,475**

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 2020	Group December 2019	Bank December 2020	Bank December 2019
Gross investment in finance lease, receivable	4,732,127	24,543,646	4,167,001	13,735,198
Unearned finance income on finance leases	(728,818)	(7,515,554)	(548,919)	(1,853,986)
Net investment in finance leases	4,003,309	17,028,092	3,618,082	11,881,212
Gross investment in finance leases, receivable:				
Less than one year	3,336,464	12,696,773	2,938,013	7,292,549
Between one and five years	1,395,662	11,846,874	1,228,988	6,442,649
Later than five years	-	-	-	-
	4,732,127	24,543,647	4,167,001	13,735,198
Unearned finance income on finance leases	(728,818)	(7,515,554)	(548,919)	(1,853,986)
Present value of minimum lease payments	4,003,309	17,028,093	3,618,082	11,881,212
Present value of minimum lease payments may be				
- Less than one year	2,802,316	7,866,303	2,532,657	5,292,863
- Between one and five years	1,200,993	9,161,789	1,085,425	6,588,349
- Later than five years	-	-	-	-

24 Pledged assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
-Financial instruments at FVOCI				
Treasury bills	999,521	30,388,532	999,521	30,388,532
Government bonds	2,617,080	-	2,617,080	-
	3,616,601	30,388,532	3,616,601	30,388,532
-Financial instruments at amortised cost				
Treasury bills	98,097,771	452,686,283	98,097,771	452,686,283
Government bonds	41,833,930	82,599,583	41,833,930	82,599,583
	139,931,702	535,285,866	139,931,702	535,285,866
ECL on financial assets at amortized cost	(9,370)	-	(9,370)	-
	139,922,332	535,285,866	139,922,332	535,285,866
-Financial instruments at FVPL				
Treasury bills	85,006,604	39,881,493	85,006,603	39,881,494
Government bonds	-	-	-	-
	85,006,604	39,881,493	85,006,603	39,881,494
	228,545,536	**605,555,891**	**228,545,536**	**605,555,892**

ECL allowance on pledged assets at fair value through other comprehensive income

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance	-	-	-	-
Additional allowance	431	-	431	-
Allowance written back	-	-	-	-
Balance, end of year	**431**	**-**	**431**	**-**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on pledged assets at amortized cost

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance	-	-	-	-
Additional allowance	9,370	-	9,370	-
Allowance written back	-	-	-	-
Balance, end of year	**9,370**	**-**	**9,370**	**-**

The related liability for assets pledged as collateral include:

Central Bank of Nigeria (CBN)	265,728,206	251,051,432	265,728,206	251,051,432
Bank of Industry (BOI)	43,116,940	22,191,400	43,116,940	22,191,400
	308,845,146	**273,242,832**	**308,845,146**	**273,242,832**

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 759.31mn (31 December 2019: N117.97bn). The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets. This disclosure in 24(i) is inclusive of only liabilities that actual cash has been received for.

25 Investment securities

At fair value through profit or loss *In thousands of Naira*	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Equity securities at fair value through profit or loss (see note (i) below)	141,765,576	113,158,320	141,735,053	113,126,623

At fair value through other comprehensive income *In thousands of Naira*	**December 2020**	**December 2019**	**December 2020**	**December 2019**
Debt securities				
Government bonds	150,094,494	64,989,934	44,296,019	4,823,398
Treasury bills	748,230,225	232,813,374	608,866,687	77,897,548
Eurobonds	22,032,870	2,860,694	15,141,127	-
Corporate bonds	15,745,714	7,815,595	15,745,714	7,815,595
State government bonds	31,741,795	6,311,454	31,741,795	6,311,454
Promissory notes	80,033,790	807,619	80,033,790	807,619
	1,047,878,889	315,598,670	795,825,134	97,655,614
Changes in fair value of FVOCI instruments	57,683,203	6,477,225	58,444,389	7,373,186
Changes in allowance on FVOCI financial instruments	301,003	109,420	294,278	63,712
Net fair value changes in FVOCI instruments	**57,984,205**	**6,586,645**	**58,738,667**	**7,436,898**

At amortised cost *In thousands of Naira*				
Debt securities				
Treasury bills	237,109,445	379,283,381	194,302,056	341,786,029
Total return notes	45,527,717	-	45,527,717	-
Federal government bonds	271,536,033	255,138,534	245,366,108	240,150,170
State government bonds	4,933,952	9,236,259	4,933,952	9,236,259
FGN Promissory notes	427,536	10,844,042	427,537	10,844,042
Corporate bonds	472,288	510,162	472,288	510,162
Eurobonds	497,726	1,394,042	-	932,242
Gross amount	560,504,698	656,406,420	491,029,659	603,458,905
ECL on financial assets at amortized cost	(600,016)	(559,223)	(550,186)	(534,188)
Carrying amount	559,904,683	655,847,197	490,479,473	602,924,717
Total	**1,749,549,148**	**1,084,604,187**	**1,428,039,660**	**813,706,954**

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Opening balance at 1 January	111,096	1,676	63,712	1,676
Additional allowance	301,004	109,420	294,278	62,036
Allowance written back	-	-	-	-
Balance, end of year	**412,099**	**111,096**	**357,990**	**63,712**

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 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Opening balance at 1 January 2020/1 Jan 2019	559,223	17,368	534,188	17,368
Acquired from business combination	-	188,655	-	188,655
-Charge for the year	42,672	353,200	17,877	328,165
Allowance written back	(1,879)	-	(1,879)	-
Balance, end of year	**600,016**	**559,223**	**550,186**	**534,188**

(i) Equity securities at FVPL (carrying amount)

Central securities clearing system limited	5,643,750	4,312,500	5,643,750	4,312,500
Nigeria interbank settlement system plc.	7,802,112	4,999,760	7,802,112	4,999,760

Unified payment services limited	4,058,931	6,732,958	4,058,931	6,732,958
Africa finance corporation	114,520,852	89,805,806	114,520,852	89,805,806
E-Tranzact	534,682	598,936	534,682	598,936
African export-import bank	49,851	34,396	49,851	34,396
FMDQ Holdings	3,332,927	684,900	3,332,927	684,900
Nigerian mortage refinance company plc.	323,333	305,227	323,333	305,227
Credit reference company	792,743	391,854	792,743	391,854
NG Clearing Limited	213,223	227,491	213,223	227,491
Capital Alliance Equity Fund	4,412,649	4,982,794	4,412,649	4,982,794
Shared agent network expansion facility	50,000	50,000	50,000	50,000
Others	30,523	31,698	-	-
	141,765,576	**113,158,320**	**141,735,053**	**113,126,622**

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

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

Group — **December 2020**

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	150,094,494	24,749
Treasury bills	748,230,225	117,544
Eurobonds	22,032,870	91,325
Corporate bonds	15,745,714	25,719
State government bonds	31,741,795	138,517
Promissory notes	80,033,790	14,247
Total	**1,047,878,889**	**412,100**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	271,536,033	40,107	271,495,925
Treasury bills	237,109,445	13,999	237,095,447
Total return notes	45,527,717	-	45,527,718
Eurobonds	497,724	49,831	447,894
Corporate bonds	472,288	472,288	-
State government bonds	4,933,952	23,756	4,910,196
FGN Promissory notes	427,536	35	427,501
Total	**560,504,696**	**600,016**	**559,904,679**

Bank

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	44,296,019	24,749
Treasury bills	608,866,687	117,544
Eurobonds	15,141,127	37,215
Corporate bonds	15,745,714	25,719
State government bonds	31,741,795	138,517
Promissory notes	80,033,790	14,247
Total	**795,825,134**	**357,989**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	245,366,108	40,107	245,326,000
Treasury bills	194,302,056	13,999	194,288,057
Total return notes	45,527,717	-	45,527,717
Eurobonds	-	-	-
Corporate bonds	472,288	472,288	-
State government bonds	4,933,952	23,756	4,910,196
Promissory notes	427,537	35	427,501
Total	**491,029,659**	**550,186**	**490,479,472**

Group

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

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	257,742,627	-	-	257,742,627
Standard grade	785,141,261	-	-	785,141,261
Non-Investment	4,995,001	-	-	4,995,001
Total	**1,047,878,889**	**-**	**-**	**1,047,878,889**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	111,097	-	-	111,097
- Charge for the year	301,003	-	-	301,003
At 31 December 2020	**412,099**	**-**	**-**	**412,099**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	115,002,758	-	-	115,002,758
Standard grade	443,956,581	-	472,288	444,428,868
Non-Investment	1,073,074	-	-	1,073,074
Total	**560,032,412**	**-**	**472,288**	**560,504,699**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	94,814	1,879	462,530	559,223
Acquired from business combination				-
- Charge for the year	32,915	-	9,757	42,672
Write back	-	(1,879)	-	(1,879)
At 31 December 2020	**127,729**	**-**	**472,288**	**600,016**

December 2020

Bank

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

	stage 1	Stage 2	Stage 3	Total
Internal rating grade			-	-
Investment	5,688,871	-	-	5,688,871
Standard grade	785,141,261	-	-	785,141,261
Non-Investment	4,995,001	-	-	4,995,001
Total	**795,825,134**	**-**	**-**	**795,825,134**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	63,712	-	-	63,712
- Charge for the year	294,277	-	-	294,277
At 31 December 2020	**357,989**	**-**	**-**	**357,989**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	45,527,717	-	-	45,527,716
Standard grade	443,956,581	-	472,288	444,428,868
Non-Investment	1,073,074	-	-	1,073,074
Total	**490,557,372**	**-**	**472,288**	**491,029,658**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	69,778	1,879	462,530	534,187
- Charge for the year	8,120	-	9,757	17,877
Write back	-	(1,879)	-	(1,879)
At 31 December 2020	**77,898**	**-**	**472,288**	**550,185**

26 Restricted deposits and other assets

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Financial assets				
Accounts receivable	120,801,111	86,028,924	104,210,867	76,387,882
Receivable on E-business channels	78,265,416	61,158,239	77,297,389	60,961,016
Deposit for investment in AGSMEIS (see note (a)below)	13,363,490	9,685,037	13,363,490	9,685,032
Subscription for investment (see note (b)below)	7,306,029	16,873,391	7,306,028	16,873,390
Restricted deposits with central banks (see note (c)below)	1,308,729,111	848,846,575	1,275,279,265	810,636,067
	1,528,465,157	1,022,592,167	1,477,457,038	974,543,387
Non-financial assets				
Prepayments	22,858,594	37,023,629	15,835,561	34,102,137
Inventory (see note (d)below)	3,717,594	1,903,981	3,316,020	1,509,522
	26,576,189	38,927,610	19,151,581	35,611,659
Gross other assets	1,555,041,345	1,061,519,776	1,496,608,619	1,010,155,045
Allowance for impairment on other assets				
Financial assets	(5,254,712)	(6,009,324)	(5,136,728)	(5,844,763)
Non-financial assets	(895,371)	-	(838,833)	-
	1,548,891,263	**1,055,510,451**	**1,490,633,057**	**1,004,310,283**
Classified as:				
Current	220,388,003	180,105,450	195,523,109	167,115,788
Non current	1,328,503,260	875,405,003	1,295,109,948	837,194,495
	1,548,891,263	**1,055,510,453**	**1,490,633,058**	**1,004,310,283**

Movement in allowance for impairment on other assets:

In thousands of Naira	Group Accounts Receivable	Group subscription for investments	Bank Accounts Receivable	Bank subscription for investments
Balance as at 1 January 2019	1,907,699	25,002	1,808,352	25,001
ECL allowance for the period:				
Acquired from business combination	7,311,549	-	7,231,695	-
- Additional provision	-	-	-	-
- Provision no longer required	(3,200,712)	-	(3,220,285)	-
Net impairment	4,110,837	-	4,011,410	-
Allowance written off	-	-	-	-
-Transalation difference	(34,214)	-	-	-
Balance as at 31 December 2019/1 January 2020	5,984,322	25,002	5,819,761	25,001
ECL allowance for the period:				
- Additional provision	2,634,937	-	2,431,517	-
- Writeback	-	-	-	-
Net ECL allowance	2,634,937	-	2,431,517	-
Acquired from business combination	210,546	-	-	-
Allowance written back	-	(25,002)	-	(25,001)
- Write Off	(2,548,443)	-	(2,548,443)	-
-Reclassification	272,726		272,726	
-Translation difference	(404,006)	-	-	-
Balance as at 31 December 2020	6,150,083	-	5,975,561	-

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

(b) Subscription for investment balance relates to deposits paid for the acquisition of equity investments for which shares have not been issued to the Bank.

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

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

27(a) Subsidiaries (with continuing operations)

(i) Group entities

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

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

			Ownership interest	
	Nature of business	**Country of incorporation**	**December 2020**	**December 2019**
Access Bank Gambia Limited	Banking	Gambia	88.00%	88%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	99.19%	97%
Access Bank Rwanda Limited	Banking	Rwanda	91.22%	75%
Access Bank Zambia	Banking	Zambia	70.00%	70%
The Access Bank UK	Banking	United Kingdom	100.00%	100%
Access Bank R.D. Congo	Banking	Congo	99.98%	100%
Access Bank Ghana	Banking	Ghana	93.40%	93%
Access Pension Fund Custodian	Custody	Nigeria	100.00%	100%
Access Bank Guinea S.A	Banking	Guinea	100.00%	100%
Access Bank Mozambique	Banking	Mozambique	99.98%	0%
Access Bank Kenya	Banking	Kenya	99.98%	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. This obligation has been transferred to Access Bank upon the successful completion of the merger between both entities

During the year, the bank branched out to two other countries to further expand its international presence. The Bank obtained the Central Bank of Mozambique's approval to setup a subsidiary in the country. The approval was granted on 11th September, 2020 after prior approval by the Central Bank of Nigeria. The Bank has 99.98% ownership in the subsidiary.

The Bank also acquired Transnational Bank of Kenya during the year now (Access Bank Kenya). The central Bank of Kenya granted approval for the acquisition on the 20th July, 2020. The Bank has 99.98% ownership in the subsidiary.

(ii) Structured entities:

			Ownership interest	
	Nature of business	**Country of incorporation**	**December 2020**	**December 2019**
Restricted Share Performance Plan (RSI	Financial services	Nigeria	100%	100%
Diamond Finance BV	Banking	Netherlands	100%	100%

27(b)(i) Investment in subsidiaries

In thousands of Naira	Bank December 2020	Bank December 2019
Subsidiaries with continuing operations		
Access Bank, UK	60,044,822	60,044,822
Access Bank, Ghana	32,195,607	32,195,607
Access Bank Rwanda	5,220,925	1,578,825
Access Bank, Congo	13,205,190	13,205,190
Access Bank, Zambia	4,274,925	4,274,923
Access Bank, Gambia	7,061,501	7,061,501
Access Bank, Sierra Leone	3,398,136	1,582,486
Access Bank, Guinea	5,441,100	5,441,100
Access Bank, Mozambique	15,309,709	-
Access Bank, Kenya	11,614,775	-
Investment in RSPP scheme	4,484,842	4,074,255
Access Bank Pension Fund Custodian	2,000,000	2,000,000
Balance, end of year	**164,251,532**	**131,458,709**

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

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

All investment in subsidiaries have been classified as non current with a closing balance of N164.25Bn

-

27 (c) Condensed results of consolidated entities

(i) The condensed financial da December 2020 are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya
Operating income	38,428,533	40,218,339	4,148,186	7,447,932	3,508,052	1,079,923	1,698,025	-	27,672	-	587,869	1,719,824	2,573,527
Operating expenses	(9,949,070)	(15,639,551)	(2,729,461)	(5,213,383)	(2,192,067)	(858,099)	(933,736)	-	(22,756)	-	(406,351)	(1,711,299)	(2,813,676)
Net impairment loss on financial assets	(21,209,659)	(1,198,967)	(33,389)	(237,725)	(462,930)	(10,523)	(1,336)	-	-	-	(1,283)	-	(86,729)
Profit before tax	7,269,804	23,379,821	1,385,336	1,996,824	853,054	211,300	762,953	-	4,915	-	180,234	8,525	(326,877)
Income tax expense	(1,381,263)	(7,542,440)	(447,891)	-	(273,575)	(54,844)	-	-	(873)	-	(52,609)	-	-
Profit for the period	5,888,540	15,837,381	937,446	1,996,824	579,480	156,455	762,953	-	4,042	-	127,625	8,525	(326,877)
Assets													
Cash and cash equivalents	63,364,931	63,260,587	22,333,660	46,756,250	12,253,895	8,585,568	2,328,412	-	15,714	5,441,100	3,543,678	8,838,764	4,677,651
Non pledged trading assets	-	97,316,595	-	-	(42,383)	-	-	-	-	-	-	-	394,618
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	4,750,080	1,798,618	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	333,225,682	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	364,424,736	67,768,331	11,946,904	19,553,103	6,192,467	1,041,309	1,253,181	-	20,376,893	-	45,043	206,308	11,081,031
Investment securities	134,875,103	121,041,959	18,558,626	-	15,842,191	8,235,318	7,741,028	-	-	-	-	495,459	14,719,803
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	7,213,162	7,622,064	1,148,618	1,387,102	2,167,413	4,760,685	794,397	-	512	-	3,069	384,459	2,942,883
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	626,803	-	-	-	-	-	-	5,111,646	-	-	-	-	-
Property and equipment	2,312,321	17,797,532	1,555,298	4,227,839	1,556,169	910,924	815,425	-	-	-	842,533	4,069,795	497,555
Intangible assets	902,947	146,056	337,657	167,326	112,908	115,169	65,007	-	-	-	54,716	12,721	6,175
Deferred tax assets	-	2,379,805	-	964,257	308,639	-	(0)	-	-	-	-	1,471	586,277
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	190,000	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
	911,695,765	379,131,546	55,880,764	73,055,878	38,391,299	23,648,972	12,997,452	5,111,646	20,393,119	5,441,100	4,679,039	14,008,977	34,905,993
Financed by:													
Deposits from banks	437,045,501	16,255,788	-	-	2,141,688	3,832,755	242,547	-	-	-	-	-	-
Deposits from customers	332,998,195	250,878,031	43,496,599	49,709,004	27,207,792	14,401,879	8,202,484	-	-	-	-	725,395	27,054,342
Derivative Liability	104,808	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	13,275	-	340,622	3,223	-	-	-	-	-	-	-	-
Current tax liabilities	-	(897,774)	253,605	4,834	246,084	-	-	-	1,750	-	4,529	-	-
Other liabilities	11,324,418	13,651,658	3,710,312	4,643,567	1,095,944	1,538,332	364,965	-	3,441	-	93,995	1,579,903	2,678,540
Interest-bearing loans and borrowings	-	28,340,115	-	5,610,801	2,250,046	-	-	-	20,368,784	-	-	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	167,951	2,536,146	168,411	1,031	-	33,433	10,647	-	-	-	33,805	-	-
Equity	130,054,892	68,354,307	8,251,838	12,746,019	5,446,524	3,842,575	4,176,809	5,111,646	19,141	5,441,100	4,546,710	11,703,680	5,173,110
	911,695,765	379,131,546	55,880,764	73,055,878	38,391,299	23,648,972	12,997,452	5,111,646	20,393,119	5,441,100	4,679,039	14,008,977	34,905,993
Net cashflows from investing AItivities	22,500,192	(127,781,060)	(7,256,329)	(609,581)	(31,770)	(239,087)	(3,818,641)	-	1,495,842	-	(763,064)	(2,213,422)	-
Net cashflows from financing activities	-	11,312,636	-	1,911,520	832,142	-	1,816,039	-	(1,495,842)	-	-	-	-
Net cashflows from operating activities		106,965,527	13,414,957	10,309,489	18,600,432	2,670,014	2,914,836	-	5,281	-	(17,259)	862,554	-
Increase in cash and cash equivalents	(134,327,491)	(9,502,897)	6,158,628	11,611,427	19,400,804	2,430,928	912,234	-	5,281	-	(780,323)	(1,350,868)	-
Cash and cash equivalent, beginning of period	197,693,075	98,296,376	14,703,443	34,533,147	6,597,741	5,181,058	549,206	-	10,433	-	4,274,301	10,186,852	-
Effect of exchange rate fluctuations on cash held	1,020,357	3,234,690	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalent, end of period	64,385,940	92,028,169	20,862,071	46,144,575	25,998,545	7,611,986	1,461,440	-	15,714	-	3,493,978	8,835,984	

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	Diamond Finance 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	-	-	-	-	-	-	-	-	-	-	-
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	77,975,925	12,393,343	-	18,545,310	8,257,406	4,261,099	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	200,000
Other assets	3,130,785	6,229,773	301,298	1,413,911	2,559,750	829,531	736,115	-	688	-	21,275
Investment in associates	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	721,660	-	-	-	-	-	-	4,795,913	-	-	-
Property and equipment	1,352,209	14,327,417	1,911,436	3,117,354	659,043	746,674	402,984	-	-	-	62,666
Intangible assets	548,142	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	-	-	-	-	-	-	-	-	-	-	-
	899,780,301	297,821,606	38,031,678	62,039,410	36,312,671	16,144,928	7,464,469	4,795,913	18,635,352	5,441,100	4,696,526
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	17,907	-	-	-	-	-	-	-	-	-	-
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	-	225,344
Interest-bearing loans and borrowings	-	36,925,884	-	5,247,682	365,038	-	-	-	18,612,806	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	64,376	1,090,487	152,671	462,398	-	-	-	-	-	-	11,498
Equity	117,737,019	50,637,850	3,841,682	11,960,622	7,011,338	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	62,039,410	36,312,671	16,144,928	7,464,469	4,795,913	18,635,352	5,441,100	4,696,526
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 period	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 period	213,094,444	70,193,363	11,310,228	38,196,686	(114,136)	4,936,938	534,482	-	-	-	3,843,514

28 (a) Property and equipment
Group
In thousands of Naira

	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in -progress	Total
Cost							
Balance at 1 January 2020	120,498,322	31,754,879	33,124,341	68,788,535	23,216,355	16,437,297	293,819,729
Acquired from business combination	93,480	-	13,657	170,603	-	-	277,740
Acquisitions	4,357,136	541,000	4,124,079	9,243,753	4,391,180	10,411,553	33,068,701
Disposals	(9,601,003)	(2,660,958)	(375,503)	(3,615,100)	(662,950)	-	(16,915,514)
Write-offs	(264,711)	-	(17,902)	(215,739)	(13,040)	(112,658)	(624,051)
Reversals/Reclassification from(to) others	-	-	-	-	-	-	-
Transfers	4,181,273	3,337,921	2,899,843	1,978,194	111,003	(12,508,234)	-
Translation difference	(104,132)	-	290,160	130,278	160,126	(257,816)	218,616
Balance at 31 December 2020	**119,160,366**	**32,972,842**	**40,058,675**	**76,480,526**	**27,202,676**	**13,970,142**	**309,845,221**
Balance at 1 January 2019	68,441,819	11,112,045	24,759,848	54,155,039	18,327,865	7,562,637	184,359,253
Acquired from business combination	45,822,253	20,507,420	1,711,188	6,638,063	1,351,558	219,213	76,249,695
Acquisitions	4,575,475	133,912	5,690,378	8,803,828	4,630,846	13,671,137	37,505,576
Disposals	(100,089)	-	(774,895)	(469,225)	(1,124,802)	-	(2,469,010)
Transfers	4,220,645	1,502	-	705,939	249,682	(5,177,767)	-
Write-offs	(36,266)	-	-	(4,064)	-	(94,008)	(134,339)
Translation difference	(2,425,516)	-	1,737,822	(1,041,046)	(218,796)	256,084	(1,691,453)
Balance at 31 December 2019	120,498,322	31,754,879	33,124,341	68,788,535	23,216,355	16,437,297	293,819,723

Depreciation and impairment losses	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in -progress	Total
Balance at 1 January 2020	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,414
Charge for the year	2,820,084	-	4,578,695	10,518,506	4,427,378	-	22,344,663
Impairment Charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(2,783,914)	-	(341,291)	(2,112,805)	(625,731)	-	(5,863,741)
Write-Offs	(264,711)	-	(16,151)	(226,602)	-	-	(507,465)
Transfers							-
Translation difference	(726,993)	-	295,627	167,082	145,087	-	(119,197)
Balance at 31 December 2020	**16,310,908**	**-**	**28,790,954**	**51,977,342**	**15,824,039**	**-**	**112,903,241**
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

Carrying amounts	**104,307,330**	**32,972,842**	**11,320,502**	**25,713,837**	**11,378,637**	**11,248,835**	**196,941,978**
Right of use assets (see 28(b) below)	**29,536,732**	**-**	**-**	**-**	**-**	**-**	**29,536,732**
Balance at 31 December 2020	**133,844,062**	**32,972,842**	**11,320,502**	**25,713,837**	**11,378,637**	**11,248,835**	**226,478,710**
Balance at 31 December 2019	117,594,544	31,754,879	8,852,823	25,235,654	11,339,050	16,437,297	211,214,241

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

Total Depreciation charge (a+b)	**8,009,919**	**-**	**4,581,251**	**10,596,786**	**4,427,378**	**-**	**27,615,333**

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

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

The total balance for non current property, plant and equipment for the year is N226.12Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**104,307,330**	**32,972,842**	**11,320,502**	**25,713,837**	**11,378,637**	**11,248,835**	**196,941,981**
	104,307,330	**32,972,842**	**11,320,502**	**25,713,837**	**11,378,637**	**11,248,835**	**196,941,984**

28 (b) Leases
Group

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

i Right-of-use assets	**Land N'000**	**Building and Equipment N'000**	**Total N'000**
Opening balance as at 1 January 2020	-	17,368,285	17,368,285
Acquired from business combination		298,037	298,037
Additions during the year	-	20,977,696	20,977,696
Disposals during the year		(536,494)	(536,494)
Reversals due to lease modifications		(812,775)	(812,775)
Translation difference		81,001	81,001
Closing balance as at 31 December 2020	**-**	**37,294,750**	**37,375,750**
Opening balance as at 1 January 2019	72,982	13,327,950	13,400,932
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	17,368,285

Depreciation			
Opening balance as at 1 January 2020	-	3,182,353	3,182,353
Charge for the year	-	5,013,103	5,013,103
Disposals during the year	-	(173,519)	(173,519)
Reversals due to lease modifications	-	(290,336)	(290,336)
Translation difference		107,416	107,416
Closing balance as at 31 December 2020	**-**	**7,839,017**	**7,839,017**
Net book value as at 31 December 2020	**-**	**29,455,733**	**29,536,732**
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	14,185,932

ii **Amounts recognised in the statement of profit or loss**

	N'000
Depreciation charge of right-of-use assets	5,013,103
Interest expense (included in finance cost)	922,385
Expense relating to short-term leases (included in administrative expenses)	586,791
Expense relating to leases of low-value assets (included in administrative expenses)	-
The total cash outflow for leases as at December 2020 was N933 million	933,650,433

28 (c) Property and equipment
Bank

In thousands of Naira	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Cost							
Balance at 1 January 2020	107,059,493	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,805
Acquisitions	766,703	-	3,090,823	8,589,782	4,029,803	4,728,258	21,205,368
Disposals	(6,988,740)	(2,660,958)	(307,876)	(2,390,296)	(596,542)	-	(12,944,412)
Reclassification	4,022,131	3,337,921	2,615,233	1,646,969	111,003	(11,733,257)	0
Reversals/Reclassification from(to) others	-	-	-	-	-	-	-
Write-Offs	(201,103)	-	(7,429)	(210,635)	-	(46,292)	(465,460)
Balance at 31 December 2020	**104,658,484**	**32,431,843**	**33,273,534**	**70,354,715**	**24,275,769**	**6,727,957**	**271,722,299**
Balance at 1 January 2019	55,008,145	11,112,047	22,322,764	47,436,345	15,853,637	6,119,044	157,851,983
Acquired from business combination	45,822,154	20,507,420	1,679,978	6,628,694	1,322,361	219,213	76,179,821
Acquisitions	3,529,489	133,912	4,572,215	8,480,739	4,361,880	11,181,145	32,259,378
Disposals	(98,889)	-	(692,174)	(437,712)	(1,041,595)	-	(2,270,370)
Transfers	2,798,592	1,502	-	610,828	235,222	(3,646,145)	-
Write-Offs	-	-	-	-	-	(94,008)	(94,008)
Balance at 31 December 2019	107,059,493	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,802

Depreciation and impairment losses	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Balance at 1 January 2020	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,614
Charge for the year (a)	2,147,377	-	3,790,037	9,717,062	4,099,496	-	19,753,972
Impairment charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(1,119,837)	-	(307,239)	(2,098,804)	(517,539)	-	(4,043,418)
Reclassifications	-						-
Write Off	(201,103)	-	(7,429)	(210,635)	-	-	(419,168)
Balance at 31 December 2020	**14,978,946**	**-**	**23,316,649**	**46,485,110**	**14,089,862**	**-**	**98,870,568**
Balance at 1 January 2019	12,223,170	-	17,890,242	30,766,704	8,579,321	-	69,459,438
Charge for the year	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
Carrying amounts	**89,679,539**	**32,431,843**	**9,956,885**	**23,869,605**	**10,185,907**	**6,727,957**	**172,851,736**
Right of use assets (see 28(d) below)	19,041,585	-	-	-	-	-	19,041,585
Balance at 31 December 2020	**89,679,539**	**32,431,843**	**9,956,885**	**23,869,605**	**10,185,907**	**6,727,957**	**191,893,321**
Balance at 31 December 2019	93,083,717	31,754,881	8,044,058	23,719,687	10,223,601	13,779,249	188,634,458

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

Total Depreciation/Impairment charge (a+b)	**5,125,929**	**-**	**3,792,593**	**9,795,341**	**4,099,496**	**-**	**22,813,359**

(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 N191.89Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**89,679,539**	**32,431,843**	**9,956,885**	**23,869,605**	**10,185,907**	**6,727,957**	**172,851,734**
	89,679,539	**32,431,843**	**9,956,885**	**23,869,605**	**10,185,907**	**6,727,957**	**172,851,734**

28 (d) Leases
Bank

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

i) Right-of-use assets

	Land N'000	Building and Equipment N'000	Total N'000
Opening balance as at 1 January 2020	-	9,465,519	9,465,519
Additions during the year		14,621,105	14,621,105
Disposals during the year		(415,739)	(415,739)
Reversals due to lease modifications		(812,775)	(812,775)
Closing balance as at 31 December 2020	**-**	**22,858,111**	**22,858,111**
Opening balance as at 1 January 2019	72,982	5,636,286	5,709,268
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	-	9,465,519	9,465,519
Depreciation			
Opening balance as at 1 January 2020	-	1,436,253	1,436,253
Charge for the year (b)	-	2,801,819	2,801,819
Disposals during the year		(154,637)	(154,637)
Reversals due to lease modifications		(266,910)	(266,910)
Closing balance as at 31 December 2020	**-**	**3,816,525**	**3,816,525**
Net book value as at 31 December 2020	**-**	**19,041,585**	**19,041,585**

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	-	8,029,266	8,029,266

ii) **Amounts recognised in the statement of profit or loss**

	N'000
Depreciation charge of right-of-use assets (buildings)	2,801,819
Interest expense (included in finance cost)	851,155
Expense relating to short-term leases (included in administrative expenses)	586,791
Expense relating to leases of low-value assets (included in administrative expenses)	-
The total cash outflow for leases as at December 2020 was N927 million.	926,934,619

29 Intangible assets
Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total Intangible
Cost							
December 2020							
Balance at 1 January 2020	5,235,837	1,218,345	31,147,503	28,664,776	12,651,500	4,724,566	83,642,527
Arising from business combination (See note 44)	6,546,333	-	104,643	-	-	-	6,650,976
Acquisitions		1,720,953	8,498,492	-	-	-	10,219,445
Reclassification	-	(1,374,049)	1,374,049	-	-	-	-
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	35,933	111,592	-	-	-	147,525
Balance at 31 December 2020	**11,782,170**	**1,601,182**	**41,008,765**	**28,664,776**	**12,651,500**	**4,724,566**	**100,432,959**
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)	4,554,830	369,655	2,005,470	28,664,776	12,651,500	4,724,566	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	5,235,837	1,218,345	31,147,503	28,664,776	12,651,500	4,724,566	83,642,528
Amortization and impairment losses							
Balance at 1 January 2020	-	-	17,709,774	2,149,858	948,863	354,342	21,162,837
Reclassification (a)	-	-	380,721	-	-	-	380,721
Amortization for the year	-	-	5,309,111	2,866,478	1,265,150	472,457	9,913,195
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	-	13,880	-	-	-	13,880
Balance at 31 December 2020	-	-	23,185,971	5,016,336	2,214,013	826,799	**31,243,118**
Balance at 1 January 2019	-	-	14,147,560	-	-	-	14,147,560
Amortization for the year	-	-	3,849,980	2,149,858	948,863	354,342	7,303,043
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	2,149,858	948,863	354,342	21,162,838
Net Book Value							
Balance at 31 December 2020	**11,782,170**	**1,601,183**	**17,822,793**	**23,648,440**	**10,437,488**	**3,897,767**	**69,189,841**
Balance at 31 December 2019	5,235,837	1,218,345	13,437,729	26,514,918	11,702,638	4,370,224	62,479,691

a. This relates to the accumulated amortization balance of one of the subsidiaries wrongly mapped in prior year to other assets, not corrected

Intangible assets
Bank

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total
Cost							
December 2020							
Balance at 1 January 2020	11,148,311	1,201,540	27,324,333	28,664,776	12,651,500	4,724,566	85,715,026
Acquisitions	-	1,285,545	7,905,935	-	-	-	9,191,480
Reclassification	-	(1,374,049)	1,374,049				-
Balance at 31 December 2020	**11,148,311**	**1,113,037**	**36,604,318**	**28,664,776**	**12,651,500**	**4,724,566**	**94,906,506**
December 2019							
Balance at 1 January 2019	-	2,269,477	17,391,856	-	-	-	19,661,334
Arising from business combination (See note 44)	11,148,311	369,655	1,940,710	28,664,776	12,651,500	4,724,566	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	11,148,311	1,201,540	27,324,333	28,664,776	12,651,500	4,724,566	85,715,027
Amortization and impairment losses							
Balance at 1 January 2020	-	-	14,711,295	2,149,858	948,863	354,342	18,164,359
Amortization for the year	-	-	4,641,986	2,866,478	1,265,150	472,457	9,246,070
Balance at 31 December 2020	**-**	**-**	**19,353,280**	**5,016,336**	**2,214,013**	**826,798**	**27,410,428**
Balance at 1 January 2019	-	-	11,430,134	-	-	-	11,430,134
Amortization for the year	-	-	3,363,413	2,149,858	948,863	354,342	6,816,476
Write off	-	-	(706,893)	-	-	-	(706,893)
Impairment charge	-	-	624,642	-	-	-	624,642
Balance at 31 December 2019	-	-	14,711,295	2,149,858	948,863	354,342	18,164,359
Carrying amounts							
Balance at 31 December 2020	**11,148,311**	**1,113,037**	**17,251,036**	**23,648,440**	**10,437,487**	**3,897,768**	**67,496,078**
Balance at 31 December 2019	11,148,311	1,201,540	12,613,038	26,514,918	11,702,637	4,370,224	67,550,668

Amortization method used is straight line.

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Classified as:				
Current	-	-	-	-
Non current	69,189,841	62,479,691	67,496,078	67,550,668

29(b) Intangible assets

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

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Diamond Bank Plc (see (a) below)	4,554,830	4,554,830	11,148,311	11,148,311
Access Bank Rwanda (see (b) below)	681,007	681,007	-	-
Access Bank Kenya (see (c) below)	6,546,333	-	-	-
	11,782,170	**5,235,837**	**11,148,311**	**11,148,311**

(a) Diamond bank:
The recoverable amount of Goodwill as at 31 December 2020 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N777bn

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the year and no losses on goodwill were recognized as at 31 December 2020 (31 December 2019: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. The CGU's are Corporate & Investment Banking, Commercial Banking, Business Banking and Personal Banking.
Goodwill impairment test was done by comparing the value-in-use for each group of CGUs to the carrying amount of the goodwill based on discounted cash flow projections. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 1.07%. A discount rate of 13.65% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

Compound annual volume growth (i)	2.00%
Long term growth rate (ii)	1.07%
Discount rate (ii)	13.65%

(i) Compound annual volume growth rate in the initial five-year period.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.
(iii) Post-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 5-year business plan. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Post-tax discount rate of 13.65% was applied in determining the recoverable amounts for Diamond Bank Plc. This discount rate was estimated using the Bank's beta, the risk-free rate and the country risk premium for Nigeria.

Long-term growth rate
The long term growth rate applied was based on the long term growth rate in GDP of Nigeria.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	(27,057,279)	33,643,882
Impact of change in growth rate on value-in-use computation	2,062,804	(2,049,618)

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

(b) Access Bank Rwanda:
The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

	December 2020
Compound annual volume growth (i)	7.16%
Long term growth rate (ii)	6.10%
Discount rate (iii)	33.0%

(i) Compound annual volume growth rate in the initial four-year period.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.
(iii) Post-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 period.

Discount Rate
Post-tax discount rate of 33% 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 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	(2,002,243)	2,243,960
Impact of change in growth rate on value-in-use computation	2,847,002	(2,778,230)

(c) Access bank Kenya:

The goodwill is reviewed annually for impairment or more frequently when there are indications that impairment may have occurred. The goodwill as at 31 December 2020 has an acquisition date of 20 July 2020; hence, it is not due for impairment until after one year. No impairment assessment has been performed on the acquired goodwill for the year. The deferred consideration amount has been recognized at its present value using a discount rate of 4.24%.

The goodwill N6.5Bn arising from the acquisition of Transnational Bank Kenya (now Access Bank Kenya) is provisional.

Discount Rate for Deferred consideration
The deferred consideration considered in the goodwill computation has been carried at its present value using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya.

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 period.

Discount Rate
Pre-tax discount rate of 24.80% 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 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

(c) Access bank Kenya:

The goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. The Goodwill as at 31 December 2020 has only recently been acquired with acquisition date of 20 July 2020 hence is not due for impairment until after a period of a year hence no impairment assessment has been performed on the acquired goodwill for the year. The deferred consideration amount has been recognized at its present value using a discount rate of 4.24%.

The goodwill N6.5Bn arising from the acquisition of Transnational Bank Kenya (now Access Bank Kenya) is provisional

Discount Rate for Deferred consideration
The deferred consideration considered in the goodwill computation has been carried at its present value using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya.

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 2020			December 2019		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	19,462,799	(3,261,531)	16,201,267	12,636,537	(174,086)	12,462,451
Allowances/(Reversal) for loan losses	33,362,291	(11,185)	33,351,107	15,354,817	-	15,354,817
Tax loss carry forward	11,418,482	-	11,418,482	13,902,540	-	13,902,540
Exchange gain/(loss) unrealised	-	(71,612,263)	(71,612,263)	-	(44,198,469)	(44,198,469)
Acquired Deferred tax asset	-	-	-	-	-	-
Actuarial loss on retirement benefit obligation	8,842	(4,269)	4,573	8,606	(4,155)	4,451
Fair value gain on equity investments	-	-	-	8,845	-	8,845
Deferred tax assets (net)	64,252,416	(74,889,249)	(10,636,832)	41,911,345	(44,376,710)	(2,465,365)

(b) Bank
Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	December 2020			December 2019		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Property and equipment, and software	17,290,585	-	17,290,585	12,038,203	-	12,038,203
Allowances/(Reversal) for loan losses	30,977,333	-	30,977,333	13,281,036	-	13,281,036
Tax loss carry forward	11,418,482	-	11,418,482	13,902,540	-	13,902,540
Exchange gain unrealised	-	(71,612,263)	(71,612,263)	-	(43,728,890)	(43,728,890)
Acquired Deferred tax asset	-	-	-	-	-	-
Fair value gain on equity investments	-	-	-	-	-	-
Deferred tax on retirement benefit obligation	-	-	-	-	-	-
Deferred tax assets/(liabilities)	59,686,401	(71,612,263)	(11,925,862)	39,221,780	(43,728,890)	(4,507,110)

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 2020 (31 December 2019: 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 2020	Group December 2019	Bank December 2020	Bank December 2019
Deferred income tax assets				
– Deferred income tax asset to be recovered after more than 12 months	49,556,947	27,821,719	48,267,919	25,319,240
– Deferred income tax asset to be recovered within 12 months	14,695,469	14,089,626	11,418,482	13,902,540
	64,252,416	41,911,345	59,686,402	39,221,780
Deferred income tax liabilities				
– Deferred income tax liability to be recovered after more than 12 months	(3,272,716)	(174,086)	-	-
– Deferred income tax liability to be recovered within 12 months	(71,616,532)	(44,202,624)	(71,612,264)	(43,728,890)
	(74,889,249)	(44,376,710)	(71,612,264)	(43,728,890)

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 2020	Group December 2019	Bank December 2020	Bank December 2019
Balance, beginning of year	(2,465,365)	(5,534,180)	(4,507,110)	(4,505,966)
Acquired from Business Combination	597,462	4,971,317	-	4,984,388
Tax charge	(8,524,257)	(3,930,538)	(7,541,560)	(5,277,786)
Translation adjustments	(367,481)	1,735,781	-	-
Items included in OCI	122,809	292,254	122,809	292,254
Net deferred tax assets/(liabilities)	(10,636,834)	(2,465,365)	(11,925,862)	(4,507,110)
Out of which				
Deferred tax assets	64,252,416	41,842,656	59,686,401	39,221,780
Deferred tax liabilities	(74,889,249)	(44,376,710)	(71,612,263)	(43,728,890)

	Group December 2020		Group December 2019	
Entity	Deferred Tax Assets	Deferred Tax liabilities	Deferred Tax Assets	Deferred Tax liabilities
Access Bank Sierra Leone	-	10,645	45,890	-
Access Bank Rwanda	-	168,411	-	152,671
Access Bank United Kingdom	-	167,950	-	64,376
Access Bank Ghana	2,379,805	2,536,146	2,351,401	1,090,487
Access Pensions	-	33,805	-	11,498
Access Bank Congo	964,257	1,031	991,418	462,398
Access Bank Gambia	-	33,433	2,708	-
Access Bank Zambia	308,639	-	431,757	-
Access Bank Kenya	586,277	-	-	-
Access Bank Mozambique	1,471	-	-	-
Access Bank Nigeria	-	11,925,862	4,984,388	9,491,498
Total Deferred Tax	**4,240,448**	**14,877,281**	**8,807,563**	**11,272,928**

Temporary difference relating to the Group's Investment in subsidiaries as at 31 December 2020 is N36.51billion (Dec 2019: N22.99billion). 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 2020	Group December 2019	Bank December 2020	Bank December 2019
Actuarial gain/loss on retirement benefit obligation				
Gross loss on retirement benefit obligation	383,777	913,293	383,777	913,293
Deferred tax @ 30%	(122,809)	(292,254)	(122,809)	(292,254)
Net balance loss after tax	260,968	621,039	260,968	621,039

Deferred Tax asset

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Classified as:				
Current	14,695,469	14,089,626	11,418,482	13,902,540
Non current	49,556,947	27,821,719	48,267,919	25,319,240

Deferred Tax liability

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Classified as:				
Current	(71,616,532)	(44,202,624)	(71,612,264)	(43,728,890)
Non current	(3,272,716)	(174,086)	-	-

31a Investment properties

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Balance at 1 January	927,000	-	727,000	-
Acquired from business combination	-	4,053,511	-	3,878,511
Additions for the year	-	2,435	-	2,435
Disposals during the year	(710,000)	(3,153,946)	(510,000)	(3,153,946)
Valuation gain/(loss)	-	25,000	-	-
Balance, end of year	**217,000**	**927,000**	**217,000**	**727,000**

Investment property of N217 million for the Group, represents the value of landed properties which are carried and measured at fair value. There was no rental income from such properties during the 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 is Paul Osaji and Company (FRC/2013/00000000001098)

All investment properties have been classified as non current with a carrying amount of N217 million for Group and N217 million for Bank

31b Assets classified as held for sale

The Bank obtains properties by taking possession of collaterals held as security against loans. The value of the collaterals repossessed during the year was N300Mn (2019: N8.82bn). 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 2020	Group December 2019	Bank December 2020	Bank December 2019
Balance at 1 January	24,957,518	12,241,824	24,957,518	12,241,823
Acquired from business combination	-	7,976,260	-	-
Additions	5,370,949	14,660,695	5,180,949	14,660,695
Disposals	(2,010,000)	(9,921,260)	(2,010,000)	(1,945,000)
	28,318,467	**24,957,519**	**28,128,467**	**24,957,518**

The total balance for non current financial assets held for sale for the year is N28.32Bn for Group and N28.13Bn for Bank

Classified as:				
Current	-	-	-	-
Non current	28,318,467	24,957,519	28,128,467	24,957,518

The professional valuers engaged for the preparation of the valuation reports are: Ubosi Eleh and Company (FRC/2014/00000003997), Odudu and Company (FRC/2012/NIESV/00000000198), Paul Osaji and Company (FRC/2013/00000000001098), Banjo Adeleke and Company (FRC/2013/NIESV/00000003314); and Osas and Oseji (FRC/2012/000000000522)

32 Deposits from financial institutions

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Money market deposits	501,831,841	974,352,271	271,700,559	863,988,212
Trade related obligations to foreign banks	456,565,330	212,004,041	559,931,775	215,296,202
	958,397,171	**1,186,356,312**	**831,632,332**	**1,079,284,414**
Current	885,853,455	966,320,433	759,088,617	856,740,698
Non-current	72,543,716	220,035,880	72,543,716	222,543,716

33 Deposits from customers

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Term deposits	1,975,382,019	1,784,924,350	1,586,352,295	1,463,431,594
Demand deposits	2,301,974,129	1,681,564,464	1,991,980,453	1,453,307,535
Saving deposits	1,310,062,064	789,348,489	1,254,411,747	751,600,682
	5,587,418,212	**4,255,837,302**	**4,832,744,495**	**3,668,339,811**

Current	5,133,490,210	3,770,912,953	4,767,846,216	3,504,908,217
Non-current	453,928,002	484,924,350	64,898,276	163,431,594

34 Other liabilities

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Financial liabilities				
Certified and bank cheques	4,508,867	4,526,529	4,133,280	3,084,912
E-banking payables (see (a) below)	89,242,387	64,552,944	88,490,471	64,219,999
Collections account balan (see (b) below)	152,676,608	71,047,431	150,896,750	69,631,696
Due to subsidiaries	-	-	548,835	588,431
Accruals	2,368,024	2,185,506	802,205	898,422
Creditors	10,820,370	6,493,771	2,417,023	2,564,043
Payable on AMCON	1,281,293	1,701,606	1,281,293	1,701,606
Customer deposits for foreign (see (c) below)	40,494,867	39,937,507	40,494,867	39,937,459
Unclaimed dividend (see (d) below)	15,730,661	15,881,375	15,730,661	15,881,375
Lease liabilities	13,588,379	10,325,181	5,385,378	5,244,844
Other financial liabilities	23,186,634	94,447,726	10,156,073	87,078,269
ECL on off-balance sheet (see (e) below)	2,740,034	4,526,457	2,619,082	4,353,070
	356,638,122	315,626,032	322,955,917	295,184,124
Non-financial liabilities				
Litigation claims provision (see (f) below)	1,919,853	1,401,620	1,919,853	1,401,620
Other non-financial liabilities	20,858,831	7,306,220	17,584,503	5,676,205
Total other liabilities	**379,416,806**	**324,333,874**	**342,460,272**	**302,261,951**
Classified as:				
Current	368,332,767	316,513,031	337,848,894	297,791,105
Non current	11,084,041	7,820,843	4,611,377	4,470,847
	379,416,808	**324,333,874**	**342,460,270**	**302,261,952**

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

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

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

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

(e) Movement in ECL on contingents	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance at 1 January 2020/31 December	4,526,457	1,482,932	4,353,070	1,482,931
Acquired from business combination	-	1,679,388	-	1,679,388
Charge for the year	(1,741,908)	1,266,048	(1,733,988)	1,190,751
Allowance written back		-	-	-
Revaluation difference	(44,515)	98,089	-	-
Balance, end of year	2,740,034	4,526,457	2,619,082	4,353,070

(f) Movement in litigation claims provision	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Opening balance	1,401,620	945,372	1,401,620	945,372
Additions	518,232	456,248	518,232	456,248
Closing balance	**1,919,853**	**1,401,620**	**1,919,853**	**1,401,620**

ii Lease liabilities

	Group N'000	Bank N'000
Opening balance as at 1 January 2020	10,325,181	5,244,842
Acquired from business combination	73,559	-
Additions	4,524,454	549,938
Interest expense	1,804,032	851,155
Lease payments	(2,193,539)	(306,702)
Leases terminations in the year	(442,526)	(314,462)
Lease liability remeasurements related to lease modifications	(639,396)	(639,396)
Translation difference	56,078	
Closing balance as at 31 December 2020	**13,507,843**	**5,385,376**

Current lease liabilities	3,378,658	505,899
Non-current lease liabilities	10,129,185	4,879,478
	13,507,843	**5,385,377**

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**	**5,244,842**
Current lease liabilities	2,504,339	773,997
Non-current lease liabilities	7,820,842	4,470,846
	10,325,181	**5,244,843**

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

Less than 6 months	1,248,776	477,832
6-12 months	1,758,239	681,531
Between 1 and 2 years	3,206,456	1,244,763
Between 2 and 5 years	5,950,451	4,146,251
Above 5 years	1,802,415	593,591
	13,966,337	**7,143,968**
Carrying amount	13,588,379	5,385,378

35 Debt securities issued

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	122,195,240	110,933,768	122,195,240	110,933,768
Green Bond (see (ii) below)	15,423,330	15,426,233	15,423,330	15,426,233
Local Bond (see (iii) below)	31,541,488	31,627,876	31,541,488	31,627,876
	169,160,059	**157,987,877**	**169,160,059**	**157,987,877**

Movement in Debt securities issued:

In thousands of Naira	Group December 2020	Bank December 2020
Net debt as at 1 January 2020	157,987,877	157,987,877
Debt securities issued	-	-
Repayment of debt securities issued	-	-
Total changes from financing cash flows	157,987,876	157,987,876
The effect of changes in foreign exchange rates	11,102,708	11,102,708
Other changes		
Interest expense	19,305,691	19,305,691
Interest paid	(19,236,218)	(19,236,218)
Balance as at 31 December 2020	**169,160,058**	**169,160,058**

In thousands of Naira	Group December 2019	Bank December 2019
Net debt as at 1 January 2019	251,251,383	251,251,383
Arising from business combination	74,270,686	74,270,686
Debt securities issued	45,000,000	45,000,000
Repayment of debt securities issued	(216,208,000)	(216,208,000)
Total changes from financing cash flows	154,314,068	154,314,068
The effect of changes in foreign exchange rates	3,124,782	3,124,782
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**

(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 2020	Group December 2019	Bank December 2020	Bank December 2019
African Development Bank (see note (a))	17,755,228	20,939,343	17,755,228	20,939,343
Netherlands Development Finance Company (see note (b))	142,907,542	92,086,136	129,820,587	92,086,136
French Development Finance Company (see note (c))	1,767,670	15,520,364	-	-
European Investment Bank (see note (d))	37,430,800	36,380,291	36,379,295	11,543,928
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (	4,198,814	4,693,167	4,198,814	4,693,167
International Finance Corporation (see note (f))	55,381,711	31,439,752	55,381,711	31,439,752
French Development Agency (see note (g))	12,048,263	-	12,048,263	-
Central Bank of Nigeria under the Commercial Agriculture Credit Sche	8,664,680	8,038,249	8,664,680	8,038,249
Bank of Industry-Intervention Fund for SMEs (see note (i))	2,258,000	2,363,684	2,258,000	2,363,684
Bank of Industry-Power & Airline Intervention Fund (see note (j))	3,387,775	4,879,470	3,387,775	4,879,470
Special Refinancing & Restructuring Intervention fund (SRRIF) (see no	3,365,050	4,846,793	3,365,050	4,846,793
Central Bank of Nigeria - Salary Bailout facilities (see note (l))	60,370,979	62,044,365	60,370,979	62,044,365
Central Bank of Nigeria - Excess Crude Account (see note (m))	109,185,236	113,557,046	109,185,236	113,557,046
Real Sector And Support Facility (RSSF) (see note (n))	16,508,760	18,407,176	16,508,760	18,407,176
Development Bank of Nigeria (DBN) (see note (o))	75,022,451	3,858,756	75,022,451	3,858,756
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (p))	105,690,820	48,978,051	105,690,820	48,978,051
Nigeria Mortgage Refinance Company (NMRC) (see note (q))	5,736,228	5,885,062	5,736,228	5,885,062
Micro small and medium enterprise development fund (MSMEDF) (se	-	26,544.25	-	26,544
Africa Export and Import Bank (AFREXIM) (see note (s))	59,916,173	76,850,820	59,916,173	76,850,820
Diamond finance B V (Anambra State Government) (see note (t))	20,431,367	18,609,362	20,431,367	18,609,362
BOI Power and steel (PAIF) (see note (u))	11,762,893	14,866,955	11,762,893	14,866,955
Bank of Industry (RRF) (see note (u))	-	81,290	-	81,290
Creative Industry Financing Initiative Fund (CIFI) (see note (v))	1,636,867	2,250,153	1,636,865	68,277
Accelerated Agricultural Development Scheme (AADS) (see note (w))	2,938,301	-	2,938,301	-
Non-Oil Export Stimulation Facility (NESF) (see note (x))	4,020,064	-	4,020,064	-
Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (y))	7,584,176	-	7,584,176	-
Lagos State Employment Trust Fund (LESTF) W Initiative (see note (z	1,000,000	-	1,000,000	-
ECOWAS Bank for Investment and Development (EBID) (see note (aa)	5,203,595	-	-	-
Other loans and borrowings	15,281,794	-	190,557	-
	791,455,237	**586,602,830**	**755,254,273**	**544,064,226**

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

(a) The amount of N17,755,228,365 (USD 44,351,481) 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 2020.

(b) The amount of N142,907,542,255 (USD 356,974,352) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from March 2018 (USD 100m), Feb 2019 (USD 162.5m) ans 2020 (USD 93.8m)for a period of 5 years, 10 years and 10 years respectively. The principal amount is repayable semi-annually from July 2019, quarterly from May 2019 and January 2026 respectively while interest is paid semi annually at 5.5% above 6 months LIBOR, quarterly at 7.83% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and quarterly at 9.61%. It also includes the facility granted to Ghana in July 2018 for a period of 7 years at 6.88% with interest and principal (starting June 2023) payable semi-annually. Two facilities were also granted to Congo in Dec 2019 for a period of 5 and 3 years respectively with the principal amount repayale semi-annually from Jan 2022 and Jan 2021 respectively while interest is paid semi annually at 4.2% above LIBOR and 4% above LIBOR respectively. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(c) The amount of N1,767,670,289 (USD 4,415,533) represents the outstanding balance in the on-lending facility granted to Ghana by the French Development Finance Company effective from 30 December 2014 for 7 years to support lending to the private sector at 5.98% with principal and interest repayable semi annualy. There is no outstanding balance in the onlending facility granted to the Bank 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 2020.

(d) The amount of N37,4430,799,971 (USD 93,499,863) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m), March 2016 (USD 27.1m) and July 2020 (USD 68.7m) for a period of 6 years each for the first three, a period of 8 years each for the next two and a period of 5 years for the last one. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6%, 2.6% respectively above 6 months LIBOR and 3.04% for the last one. It also includes the facility granted to Ghana in Oct 2016 for a period of 7 years. Principal and interest are paid semi-annually at 4.57%. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(e) The amount of N4,1,98,813,609 (USD 10,488,381) 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 2020.

(f) The amount of N55,381,710,870 (USD 138,340,147) represents the outstanding balance on the on-lending facility of USD 87.5mn and USD 50mm granted to the Bank by International Finance Corporation for a period of 10 years and 1 year respectively. The principal amount will be repayable quarterly from September 2019 and October 2020 respectively, while interest is paid semi annually at 7.69% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and 4.25% above 6 months LIBOR for a year From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(g) The amount of N12,048,262,888 (USD 30,095,828) represents the outstanding balance on the on-lending facility of USD 30mn granted to the Bank by French Development Agency for a period of 8 years. The principal amount will be repayable semi annually from November 2020 while interest is paid quarterly at 3.57%. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(h) The amount of N8,664,679,827 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum year of 7 years at a zero percent interest rate to the Bank The Bank did not provide security for this facility. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(i) The amount of N2,258,000,000 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 2020.

(j) The amount of N3,387,775,315 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 2020.

(k) The amount of N3,365,050,022 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 2020.

(l) The amount of N60,370,978,502 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 2020.

(m) The amount of N109,185,235,757 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 2020.

(n) The amount of N16,508,760,313 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 2020.

(o) The amount of N75,022,450,705 represents the outstanding balance on four on-lending facilities granted to the Bank by the Development Bank of Nigeria in two series in respect of the Micro, Small and Medium Scale Enterprises (MSMEs) and Small Corporates. The facilities are for a maximum of 3 years at a 9.6% interest rate to the Bank. A third series of about 1.68bn was disbursed for a period of 10 years. The fourth facility of about 70bn was disbursed for a period of 10 years at an interest rate of 10%. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(p) The amount of N105,690,819,749 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) established by CBN supporting Reddington Multi-specialist Hospital, Dana Motors, Lafarge Africa PLC. The facility is for a maximum period of 7 years inclusive of 12 months moratorium for Reddington and Dana and a 24 months moratorium for Lafarge at a 0% interest rate to the Bank. Additional amounts were disbursed between July 2019 and November 2019 in favor of 5 other beneficiaries amounting to 34.58bn for a period of 7 years with 2 years moratorium at 2% interest rate on a quarterly basis for the first 4 counterparties and 10 years with no moratorium at 1% interest rate on a quarterly basis for the last counterparty. There were additional facilities disbursed in 2020 in favor of 16 other beneficiaries amounting to about N59bn for a period of 4 to 10 years inclusive of 6 months to 2 years moratorium at 2% interest rate on a quarterly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(q) The amount of N5,736,227,740 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 2020.

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

(s) The amount of N59,916,173,054 (USD 149,666,957) 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 2020.

(t) The amount N20,431,367,123 (USD 51,036,313) 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 period ended 30 June 2020. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(u) The amount of N11,762,893,086 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 2020

(v) The amount of N1,636,867,019 represents the outstanding balance on the on-lending facility granted to the Bank by the Central Bank of Nigeria under the Creative Industry Financing Initiative established by the CBN. The initiative is on a request by request basis. The tenor of the facilities granted ranges from 3 to 10 years inclusive of a maximum of 24 months moratorium. There are currently 14 beneficiaries under the initiative. The Bank is under obligation to on-lend to customers at an all-in interest rate of 9% with 2% remitted to CBN. The Bank remains the primary obligor to CBN and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(w) The amount of N2,938,300,788 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Accelerated Agricultural Development Scheme (AADS) on behalf of Bayelsa State Government. The facility is for a period of 3 years inclusive of 24 months moratorium at a 4% interest rate repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(x) The amount of N4,020,064,265 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Non-Oil Export Stimulation Facility (NESF) supporting Leaf Tobacco and Commodities Nigeria Limited in acquiring additional machinery for expansion of their facilities. The facility is for a period of 6 years inclusive of 12 months moratorium at a 1% interest rate repayable on a quarterly basis which will increase to 2% effective March 1, 2021. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(y) The amount of N7,584,175,739 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria through the Health Sector Intervention Facility (HSIF) window of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) supporting 8 beneficiaries (N7.6bn). The tenor of the facility ranges from 4 to 10 years inclusive of maximum moratorium of 12 months. The interest is set at 1% repayable on a quarterly basis which will increase to 2% effective March 2021. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(z) The amount of N1,000,000,000 represents the outstanding balance on the on-lending facility granted to the Bank by Lagos State Employment Trust Fund (LESTF) The tenor of the facility is 2 years. The interest is set at 5% repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

(aa) The amount of f N5,203,595,207 (USD 12,998,264) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by ECOWAS Bank for Investment and Development (EBID) which attracts an interest rate of 2.75% for 60 days with four different facilities disbursed between October and December (2 Oct 2020, 3 Nov 2020, 5 Dec 2020 and 6 Dec 2020) all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 31 December 2020.

As a result of the COVID-19 outbreak, CBN has decided to do the do the following for all CBN intervention facilities;
1. Extend the moratorium by granting a further moratorium of one year on all principal repayments, effective March 1, 2020 for all CBN intervention facilities.
2. Reduce Interest rate on all applicable CBN intervention facilities from 9 to 5% per annum for 1 year effective March 1, 2020.

In thousands of Naira	**Group December 2020**	**Bank December 2020**
Balance as at 1 January 2020	586,602,830	544,064,226
Proceeds from interest bearing borrowings	256,015,899	253,841,702
Repayment of interest bearing borrowings	(75,582,339)	(66,636,469)
Total changes from financing cash flows	767,036,390	731,269,459
The effect of changes in foreign exchange rates	19,565,682	19,565,680
Other changes		
Interest expense	25,760,799	24,562,225
Interest paid	(20,907,634)	(20,143,091)
Balance as at 31 December 2020	**791,455,238**	**755,254,273**

	Group December 2019	**Bank December 2019**
Balance as at 1 January 2019	388,416,734	363,682,441
Proceeds from interest bearing borrowings	245,332,824	223,834,913
Arising from business combination	92,240,671	92,240,672
Repayment of interest bearing borrowings	(142,101,478)	(138,295,724)
Total changes from financing cash flows	583,888,751	541,462,302
The effect of changes in foreign exchange rates	2,080,813	2,085,384
Other changes		
Interest expense	22,908,552	21,865,024
Interest paid	(22,275,286)	(21,348,484)
Balance as at 31 December 2019	**586,602,830**	**544,064,226**

37 Retirement benefit obligation

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Recognised liability for defined benefit obligations (see note (a) below)	4,584,149	3,418,060	4,584,149	3,418,060
Liability for defined contribution obligations	357,118	190,977	-	-
	4,941,268	**3,609,037**	**4,584,149**	**3,418,060**

(a) Defined benefit obligations

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

In thousands of Naira	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Post employment benefit plan (see note (i) below)	4,584,149	3,418,060	4,584,149	3,418,060
Recognised liability	**4,584,149**	**3,418,060**	**4,584,149**	**3,418,060**

(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 2020	Group December 2019	Bank December 2020	Bank December 2019
Defined benefit obligations at 1 January	3,418,060	2,319,707	3,418,060	2,319,707
Charge for the year:				
-Interest costs	335,624	223,940	335,624	223,940
-Current service cost	446,688	376,120	446,688	376,120
-Benefits paid	-	(415,000)	-	(415,000)
Net actuarial gain/(loss) for the year remeasured in OCI:	-	-	-	-
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	(225,495)	913,293	(225,495)	913,293
Remeasurements - Actuarial gains and losses arising from changes in salary increases	(457,067)	-	(457,067)	-
Remeasurements - Actuarial gains and losses arising from changes in promotions	67,849	-	67,849	-
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	998,490	-	998,490	-
Balance, end of year	**4,584,149**	**3,418,060**	**4,584,149**	**3,418,060**
Expense recognised in income statement:				
Current service cost	446,688	376,120	446,688	376,120
Interest on obligation	335,624	223,940	335,624	223,940
Total expense recognised in profit and loss (see Note 14)	**782,312**	**600,060**	**782,312**	**600,060**

All retired benefit obligations have been classified as non current with a closing amount of N4.58 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 to a number of risks, the most significant of which are detailed below:

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

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

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

The sensitivities below relates to Group and Bank.

December 2020

In thousands of Naira	**Decrease in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
	Impact on defined benefit obligation		
Effect of changes in the assumption to the discount rate	Increase in liability by 5.6%	4,841,189	(271,107)
Effect of changes in assumption to the salary growth	Decrease in liability by 4.9%	4,359,049	213,593
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	4,583,274	917

	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
	Impact on defined benefit obligation		
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.2%	4,346,049	225,995
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	4,824,327	(250,865)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	4,585,103	(917)

December 2019

In thousands of Naira	**Decrease in assumption by 1%**	**Liability changes to**	**Total comprehensive income**
	Impact on defined benefit obligation		
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

	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
	Impact on defined benefit obligation		
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)

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 2020.

	December 2020	December 2019
Discount rate	7.10%	11.90%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	11.70%	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)	1.50%	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 7.1% as at 31 December 2020. 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 2020	Bank December 2019
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each	19,000,000	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
	20,000,000	20,000,000

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

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

Preference shareholding:
Preference shares do not carry the right to vote. Preference shareholders have priority over ordinary shareholders with regard to the residual assets of the Bank and participate only to the extent of the face value of the shares plus any accrued dividends. No preference shares were in issue as at the end of the 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 2020
Balance, beginning of the year	17,772,613
Balance, end of the year	17,772,613

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

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

In thousands of units	Group December 2020	Group December 2019
Balance, beginning of the year	35,545,226	35,545,226
Balance, end of the year	35,545,226	35,545,226

B Share premium

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

In thousands of Naira	Group December 2020
Balance, beginning of the year	234,038,850
Balance, end of the year	234,038,850

In thousands of Naira	Group December 2019
Balance, beginning of the year	197,974,816
Additions through scheme of merger	36,064,034
Balance, end of the year	234,038,850

C Retained earnings

	Group December 2020	Restated Group December 2019	Bank December 2020	Restated Bank December 2019
Retained earnings	252,396,876	221,665,747	206,896,034	188,925,555

D Other components of equity

	Group December 2020	Group December 2019	Bank December 2020	Bank December 2019
Other regulatory reserves (see i(a) below)	115,575,107	93,322,654	95,067,598	83,061,699
Share Scheme reserve	876,762	1,881,768	876,761	1,881,767
Treasury Shares	(5,111,646)	(4,795,914)	-	-
Capital Reserve	3,489,080	3,489,080	3,489,081	3,489,081
Fair value reserve	60,106,564	964,243	59,574,139	835,473
Foreign currency translation reserve	18,132,330	11,780,013	-	-
Regulatory risk reserve	46,425,978	18,091,941	36,180,585	9,483,000
	239,494,174	**124,733,785**	**195,188,164**	**98,751,020**

(i) Other reserves

Other regulatory reserves

Statutory reserves

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

SMEEIS Reserves

The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) reserve is maintained to comply with the Central Bank of Nigeria (CBN)/ Banker's committee's requirement that all licensed deposit money banks in Nigeria set aside a portion of the profit after tax in a fund to be sued to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by a CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 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 2020	December 2019	December 2020	December 2019	December 2020	December 2019
Group						
In thousand of Naira						
Opening	82,063,378	82,063,378	826,568	826,568	82,889,946	82,889,946
Transfers during the year	22,252,453	10,432,708	-	-	22,252,453	10,432,708
Closing	104,315,831	92,496,086	826,568	826,568	105,142,399	93,322,654
Bank						
In thousand of Naira						
Opening	71,199,773	71,199,773	826,568	826,568	72,026,341	72,026,341
Transfers during the year	12,005,900	11,035,359	-	-	12,005,900	11,035,359
Closing	83,205,672	82,235,132	826,568	826,568	84,032,240	83,061,700

(ii) Share scheme reserve

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

(iii) Treasury shares

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

(iv) Capital reserve

This balance represents the surplus nominal value of the reconstructed shares of the Bank which was transferred from the share capital account to the capital reserve account after the share capital reconstruction in October 2006. The Shareholders approved the reconstruction of 13,956,321,723 ordinary shares of 50 kobo each of the Bank in issue to

6,978,160,860 ordinary shares of 50 kobo each by the creation of 1 ordinary shares previously held.

(v) Fair value reserve

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

(vi) Foreign currency translation reserve

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

(vii) Regulatory risk reserve

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

(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 2020	Group December 2019
Access Bank, Gambia	775,786	720,721
Access Bank, Sierra Leone	42,577	52,367
Access Bank Zambia	683,782	2,139,647
Access Bank, Rwanda	838,327	1,110,453
Access Bank, Congo	3,617	3,248
Access Bank, Ghana	4,991,465	4,502,399
Access Bank, Mozambique	1,744	-
Access Bank, Kenya	1,428	-
	7,338,726	**8,528,835**

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

In thousands of Naira	Group December 2020	Group December 2019
Access Bank, Gambia	18,775	17,351
Access Bank, Sierra Leone	6,180	5,044
Access Bank Zambia	173,844	152,803
Access Bank, Rwanda	82,308	63,029
Access Bank, Congo	400	17
Access Bank, Ghana	1,045,267	769,491
Access Bank, Mozambique	2	-
Access Bank, Kenya	(65)	-
	1,326,709	**1,007,735**

	Group December 2020	Group December 2019
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12%
Access Bank, Sierra Leone	1%	3%
Access Bank Zambia	30%	30%
Access Bank, Rwanda	9%	25%
Access Bank Congo	0%	0%
Access Bank, Ghana	7%	7%
Access Bank, Mozambique	0.02%	0%
Access Bank, Kenya	0.02%	0%

E Dividends

In thousands of Naira	Bank December 2020	Bank December 2019
Interim dividend paid (June 2020: 25K, June 2019: 25k)	8,886,306	8,886,306
Final dividend paid (Dec 2019: 40k, Dec 2018: 25k)	14,218,090	8,886,306
	23,104,397	**17,772,612**
Final dividend proposed (Dec 2020: 55k, Dec 2019: 40k)	19,549,874	14,218,090
Number of shares	35,545,226	35,545,226

The Directors proposed a final dividend of 55k for the year ended 31 December 2020

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. N1.9Bn provision has been made as at 31 December 2020.

Contingent liability and commitments

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

Nature of instruments

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

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

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

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

a. These comprise:

In thousands of Naira	**Group December 2020**	**Group December 2019**	**Bank December 2020**	**Bank December 2019**
Contingent liabilities:				
Transaction related bonds and guarantees	378,808,847	477,932,817	335,064,193	451,514,549
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other	445,538,945	419,584,999	341,751,564	324,529,363
	824,347,792	**897,517,816**	**676,815,757**	**776,043,912**

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 N2.011Bn(31 Dec 2019: N311.92Mn)

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 2020	Group December 2019	Bank December 2020	Bank December 2019
Cash on hand and balances with banks	502,781,098	431,130,867	456,588,630	321,270,808
Unrestricted balances with central banks	51,127,104	117,883,813	13,639,189	97,734,073
Money market placements	89,783,184	48,838,460	40,095,276	32,822,515
Investment under management	23,785,009	23,799,663	23,785,009	23,799,663
Treasury bills with original maturity of less than 90days	170,370,193	604,378,216	170,370,193	604,378,216
	837,846,588	**1,226,031,019**	**704,478,296**	**1,080,005,274**

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

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

	Debt securities issued		Interest bearing borrowings	
	Group December 2020	Bank December 2020	Group December 2020	Bank December 2020
Net debt	157,987,877	157,987,877	586,602,830	544,064,226
Proceeds from interest bearing borrowings	-	-	256,015,899	253,841,702
Repayment of interest bearing borrowings	-	-	(75,582,339)	(66,636,469)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	157,987,877	157,987,877	767,036,390	731,269,458
The effect of changes in foreign exchange rates	11,102,708	11,102,708	19,565,682	19,565,680
Other changes				
Interest expense	19,305,691	19,305,691	25,760,799	24,562,225
Interest paid	(19,236,218)	(19,236,218)	(20,907,634)	(20,143,091)
Balance	**169,160,059**	**169,160,059**	**791,455,238**	**755,254,273**

	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	154,314,070	154,314,070	583,888,753	541,462,303
The effect of changes in foreign exchange rates	3,124,782	3,124,782	2,080,812	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**	**157,987,877**	**586,602,830**	**544,064,227**

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

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

41 Contraventions of the Banks and Other Financial Institutions Act of Nigeria and CBN circulars

S/N	Regulatory Body	Infraction	Date
(I)	Central Bank of Nigeria	Sum of N220 million in respect of sourcing for FX from the Nigerian FX market for the importation of Textile	28 Feb 2020
(II)	Central Bank of Nigeria	Sum of N57 million in respect of failure to comply with the CBNs AML/CFT review for the period of April 2018-March 2019	2 Mar 2020
(III)	Central Bank of Nigeria	Sum of N42.8million in respect of failure to comply with the CBNs AML/CFT regulations and KYC policies in a transaction	5 Feb 2020
(IV)	The Nigerian stock exchange	Sum of N2.2 million in respect of failure to obtain Exchange's (NSE) approval prior to announcement of Notice of Meeting of Board of Directors of the Bank	27 Jan 2020
(V)	Central Bank of Nigeria	Sum of N1million in respect of operating a Tier 3 account without valid means of ID	21 July 2020
(VI)	Central Bank of Nigeria	Sum of N10million in respect of inadequate KYC and KYCB and filing STR relating to IBSmartify Nigeria	25 Aug 2020
(VII)	Central Bank of Nigeria	Sum of N131.23million in respect of contravention of CBN FOREX manual and TED ACT	23 Sep 2020

42 Events after reporting date
Subsequent to the end of the financial year, the Board of Directors proposed a final dividend of 55k 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 2020	**Directors and other key management personnel (and close family members)**	**Subsidiaries**	**Total**
In thousands of Naira			
Balance, beginning of year	1,466,257	178,148,506	**179,614,763**
Net movement during the year	(442,274)	(5,047,982)	**(5,490,256)**
Balance, end of year	1,023,983	173,100,523	**174,124,506**
Interest income earned	36,563	2,848,869	**2,885,432**
ECL due from related parties expense	-	-	**-**

The loans issued to directors and other key management personnel (and close family members) as at 31 December 2020 is N1.02Bn 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 USD453M granted during the year. It is a non-collateralised placement advanced at an average interest rate of 0.8% 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

Year ended 31 December 2020	**Directors (and close family members and related entities)**	**Subsidiaries**	**Total**
In thousands of Naira			
Balance, beginning of year	3,775,504	112,433,617	**116,209,122**
Net movement during the year	(1,177,843)	2,593,020	**1,415,176**
Balance, end of year	2,597,662	115,026,637	**117,624,298**
Interest expenses on deposits	82,545	3,357,590	**3,440,136**

The deposits are majorly term deposit with an average interest rate and tenor of approximately 3% and 7 months for directors and 5% and 3 months for subsidiaries.

(c) Borrowings from related parties

In thousands of Naira	**Subsidiaries**	**Total**
Borrowings at 1 January 2020	18,629,957	**18,629,957**
Net movement during the year	1,015,048	**1,015,048**
Borrowings at 31 December 2020	19,645,005	**19,645,005**
Interest expenses on borrowings	1,495,827	**1,495,827**

The borrowings from subsidiaries represent the borrowings of Access Bank Plc from Diamond Finance BV in respect of the dollar guaranteed notes issued by Diamond Finance B.V, Netherlands which has a maturity of 27 March 2021. The notes were issued on 27 March 2017 for a year of 5 years with the principal amount repayable at the end of the tenor while interest on the Notes is payable semi-annually at 7%, in arrears on 27 March and 27 September in each year. The annual effective interest rate is 7.22%. The notes is a dollar denominated loan particpatory notes of $50 million.

(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	-	27,145,867	**27,145,867**
Derivative financial instruments	-	-	**-**
Deposit for Investments	-	-	**-**
Deposit from financial institutions	-	224,183	**224,183**
Receivables	-	960,311	**960,311**
Payables	-	566,794	**566,794**
Other Liabilities	-	540,837	**540,837**
Fee and commission expense	-	-	**-**
Debt securities	-	-	**-**
Other operating income	-	-	**-**
Interest bearing borrowings	-	-	**-**
Off balance sheet exposures	-	53,862,006	**53,862,006**

(e) Key management personnel compensation for the year comprises:

Directors' remuneration

In thousands of Naira	December 2020	December 2019
Non-executive Directors		
Fees	54,820	51,875
Other emoluments:		
Allowances	550,804	421,955
	605,624	473,830

	December 2020	December 2019
Executive directors		
Short term employee's benefit	332,500	266,420
Defined contribution plan	31,615	27,840
Share based payment	45,923	68,628
Retirement benefits paid	-	415,000
	410,038	**777,888**

(f) Directors remuneration:

Remuneration paid to directors of the Bank (excluding pension contributions and other benefits) was as follows:

In thousands of Naira	December 2020	December 2019
Fees as Directors	54,820	51,875
Other emoluments	381,916	286,330
Wages and salaries	332,500	266,420
Allowances	168,889	135,625

The Directors remuneration shown above includes

	December 2020	December 2019
Chairman	65,630	52,208
Highest paid director	120,000	120,000

The emoluments of all other directors fell within the following ranges:

	December 2020	December 2019
N13,000,001-N20,000,000	-	-
N20,000,001-N37,000,000	7	6
AboveN37,000,000	10	9
	17	15

44 Business Combination

(a) Business Combination with Diamond Bank

Access Bank Plc completed the merger with former Diamond Bank Plc with effect from 19 March 2019. The merger involved Access Bank acquiring the entire issued share capital of Diamond Bank in exchange for a combination of cash consideration and shares in Access Bank via a Scheme of Merger. The Bank also completed an acquisition of Transnational Bank Kenya with details in note (c) below

In fulfilment of the consideration for the acquisition, Diamond Bank's shareholders received a consideration 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) (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 acquisition was accounted for as a business combination which resulted in acquired intangible assets of N50.60bn (Bank, N57.19bn).

The purchase price allocation for the acquired intangibles from Diamond Bank was not completed as at the last reporting date but has now been completed in this financial statement. These comprise Core deposits intangible of N28.7bn, Customer relationship of N12.7bn, Brand of N4.7bn and Goodwill of N4.6bn for group (Bank: Core deposits intangible of N28.7bn, Customer relationship of N12.7bn, Brand of N4.7bn and Goodwill of N11.14bn). The intangible assets have been categorized into those with definite and indefinite useful life as follows

Intangible	**Useful life**
Core deposits intangible	Definite
Customer relationship	Definite
Brand	Definite
Goodwill	Indefinite

Core deposits, brand and customer relationship intangible assets are amortized over 10 years. Intangible assets with indefinite useful life are tested for impairment annually or whenever there is an impairment trigger.

The residual Goodwill of N4.6bn has been allocated to the Bank's business segements as shown below:

In thousands of Naira

	Group September 2020	Bank September 2020
Corporate and Investment Banking	1,568,579	3,790,426
Commercial Banking	865,857	1,672,247
Business Banking	1,459,238	2,118,179
Personal Banking	661,156	3,567,460
	4,554,830	**11,148,311**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	**Valuation technique**
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	The methods employed for the measurement of fair values for identifiable intangible assets are: Relief-from-royalty method , Replacement Cost and the Funding Benefit Method The relief-from-royalty method considers (The Rfr method) values the brand by reference to the amount of royalty the acquirer would pay in an arm's length transaction i.e. it estimates the value for an asset based on the cost savings realised through ownership compared to paying licencing fees. The multi-period excess earnings method; The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets. The replacement cost value: The replacement cost method is used to determine the value of customer relationship and is calculated as the estimated cost of acquiring new customers multiplied by the number of unique customers acquired from the Transaction. The Funding Benefit Method: The Funding Benefit Method is calculated based on the after-tax present values of the net cost of funding, defined as the difference between the interest expense on acquired deposit and the cost of alternative funding over the useful life of the deposit; and net service fees earned on the deposits (net income earned as a percentage of deposit.
Investment securities	Reference to quoted observable market prices of the instruments or similar instruments

In thousands of Naira

	Group December 2019	Bank December 2019
Considerations:		
Cash payment	23,160,389	23,160,389
Access Bank's shares issued to Diamond Bank's shareholders (see (i) below)	39,372,661	39,372,661
Total Consideration	**62,533,050**	**62,533,050**
Net assets/(liabilities) acquired from business combination prior to fair value adjustment (see note 44 (b) below)	2,962,303	(3,631,175)
Fair value adjustment	55,015,915	55,015,916
Adjusted Net assets/(liabilities) acquired from business combination (see note 44 (b) below)	57,978,218	51,384,741
Goodwill	**4,554,832**	**11,148,311**

(1) 6,617,253,991 (six billion, six hundred and seventeen million two hundred and fifty-three thousand, nine hundred and ninety-one) new Access Bank ordinary shares, representing the 2 new Access Bank ordinary shares were alloted for every 7 Diamond Bank shares.

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

The fair value of the net assets/ (liabilities) 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	155,918,073	(3,568,189)	152,349,884	155,812,009	(3,568,189)	152,243,819
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	63,706,493	12,543,263	76,249,756	63,636,623	12,543,265	76,179,887
Intangible assets	48,415,967	46,040,842	94,456,809	48,351,207	46,040,842	94,392,050
Deferred tax assets	4,984,388	-	4,984,388	4,984,389	-	4,984,389
	1,347,497,679	**55,015,915**	**1,402,513,594**	**1,373,150,750**	**55,015,916**	**1,428,166,668**
Asset classified as held for sale and discontinued operations	48,965,253	-	48,965,253	7,976,260	-	7,976,260
Total assets	**1,396,462,932**	**55,015,915**	**1,451,478,847**	**1,381,127,010**	**55,015,916**	**1,436,142,928**
Liabilities						
Deposits from financial institutions	51,430,800	-	51,430,800	51,430,800	-	51,430,800
Deposits from customers	1,101,188,191	-	1,101,188,191	1,105,069,175	-	1,105,069,175
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
	1,373,817,007	**-**	**1,373,817,007**	**1,384,758,185**	**-**	**1,384,758,185**
Liabilities classified as held for sale and discontinued operations	19,683,622		19,683,622	-	-	-
Total liabilities	**1,393,500,629**	**-**	**1,393,500,629**	**1,384,758,185**	**-**	**1,384,758,185**
Net assets/ (liabilities)	**2,962,303**	**55,015,915**	**57,978,218**	**(3,631,175)**	**55,015,916**	**51,384,743**

(c) Business Combination with Transnational Bank Kenya

The Bank recently acquired Transnational Bank in Kenya with effect from 20 July 2020. The acquisition involved the Bank acquiring the 99.98% issued share capital of Transnational Bank in exchange for cash consideration of N5,517,428,970 (Five billion, five hundred and seventeen thousand, four hundred and twenty eight thousand, nine hundred and seventy naira)

In fulfilment of the consideration for the acquisition, Transnational Bank's shareholders received a total cash consideration offer of N5,634,410,000 comprising of (i) a cash consideration payment of N4,225,807,500 (Four billion, two hundred and twenty five million, eight hundred and seven thousand, five hundred Naira) (ii) a deferred payment of N1,408,602,500 (one billion, four hundred and eight million six hundred and two thousand, five hundred naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N1,291,620, 470 using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya. The goodwill computation is provisional at the time of this report.

In thousands of Naira	**Bank July 2020**
Considerations:	
Cash payment	4,225,808
Consideration deferred	1,291,620
Total Consideration	**5,517,428**
Net assets/ (liabilities) acquired from business combination (see note 44 (d) below)	(1,028,905)
Goodwill	**6,546,333**

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

(d)

	Group July 2020
Assets	
Cash and balances with banks	7,618,165
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-
Loans to banks	-
Loans and advances to customers	17,416,132
Investment securities	12,143,738
Investment properties	-
Other assets	1,915,647
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	575,777
Intangible assets	104,643
Deferred tax assets	597,462
	40,371,563
Asset classified as held for sale and discontinued operations	-
Total assets	**40,371,563**
Liabilities	
Deposits from financial institutions	-
Deposits from customers	32,906,716
Derivative Liabilities	-
Current tax liabilities	-
Other liabilities	8,493,018
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	41,399,734
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**41,399,734**
Net assets/ (liabilities)	**(1,028,171)**
Non controlling interest	734
Owners of the Bank equity	**(1,028,905)**

45 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.
b. Full compliance with the relevant CBN policies on insider-related lending.
c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.
d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.

e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.

f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a year of more than 12months."

The Bank's principal exposure to all its directors as at 31 December 2020 is N2.23Bn. 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	1,870,107,501	Performing	Pledged properties at Ikoyi Lagos
						Performing	Personal guarantee
						Performing	Domiciliation of Rental Income
2	Sic Property and Investment Company Ltd	Ex Non-executive director	Mr Ortisedere Otubu	Term Loan	119,983,765	Performing	Legal Mortgage
						Performing	Personal guarantee
						Performing	Debenture
3	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	200,599,868	Performing	Cash collateral
				Credit Card	21,807,961	Performing	Cash collateral
4	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Term Loan	15,000,000	Performing	Cash collateral
				Overdraft	3,802,259	Performing	Cash collateral
				Credit Card	1,640,240	Performing	Cash collateral
	Balance, end of year				**2,232,941,594**		

6 (a) Restatement of prior year financial information

(i) Changes to statement of changes in equity

In thousands of Naira

	Reported Group December 2019	Restatements	Restated Group December 2019	Reported Bank December 2019	Restatements	Restated Bank December 2019
Retained earnings	225,118,812	-	225,118,812	192,378,618	-	192,378,618
Restatement of identified intangible asset at acquisition amortization for Dec 2019	-	(3,453,063)	(3,453,063)	-	(3,453,063)	(3,453,063)
Restated balance as at 31 Dec 2019	**225,118,812**	**(3,453,063)**	**221,665,749**	**192,378,618**	**(3,453,063)**	**188,925,555**

(ii) Changes to statement of financial position

	Reported Group December 2019	Restatements	Restated Group December 2019	Reported Bank December 2019	Restatements	Restated Bank December 2019
Intangibles	14,656,075	-	14,656,075	13,814,576	-	13,814,576
Restatement of identified intangible asset at acquisition amortization charge for Dec 2019	-	42,587,779	42,587,779	-	42,587,779	42,587,778
Restatement of goodwill	51,276,679	(46,040,842)	5,235,837	57,189,153	(46,040,842)	11,148,310
Restated balance	**65,932,754**	**(3,453,063)**	**62,479,691**	**71,003,729**	**(3,453,063)**	**67,550,665**

(iii) Changes to statement of comprehensive income

	Reported Group December 2019	Restatements December 2019	Restated Group December 2019	Reported Bank December 2019	Restatements December 2019	Restated Bank December 2019
Interest income on financial assets not at FVTPL	453,550,213	-	453,550,213	391,459,009	-	391,459,009
Interest income on financial assets at FVTPL	83,296,576	-	83,296,576	80,009,759	-	80,009,759
Interest expense	(259,617,791)		(259,617,791)	(238,708,397)		(238,708,397)
Net interest income	277,228,998	-	277,228,997	232,760,371	-	232,760,371
Net impairment charge	(20,189,393)	-	(20,189,393)	(21,055,479)	-	(21,055,479)
Net interest income after impairment charges	257,039,605	-	257,039,605	211,704,892	-	211,704,892
Fee and commission income	91,845,403			75,365,238		75,365,239
Fee and commission expense	(17,798,050)	-	(17,798,050)	(17,115,894)	-	(17,115,894)
Net fee and commission income	74,047,353	-	(17,798,050)	58,249,344	-	58,249,345
Net gains/(loss) on investment securities	66,102,274	-	66,102,274	64,711,601	-	64,711,601
Net foreign exchange (loss)/income	(83,876,395)	-	(83,876,395)	(93,038,918)	-	(93,038,918)
Other operating income	55,835,529	-	55,835,529	53,553,485	-	53,553,485
Profit on disposal of subsidiaries	-		-	4,287,666	-	4,287,666
Personnel expenses	(76,964,138)	-	(76,964,138)	(60,712,847)	-	(60,712,847)
Rent expenses	-	-	-	-	-	-
Depreciation	(21,232,914)	-	(21,232,914)	(17,113,619)	-	(17,113,619)
Amortization [1]	(4,474,622)	-	(4,474,622)	(3,988,055)	-	(3,988,055)
Restatement of amortization of identified intangible asset at acquisition for 2019	-	(3,453,063)	(3,453,063)	-	(3,453,063)	(3,453,063)
Other operating expenses	(151,098,113)	-	(151,098,113)	(134,986,773)	-	(134,986,773)
Profit before tax	**115,378,579**	**(3,453,063)**	**111,925,517**	**82,666,776**	**(3,453,063)**	**79,213,711**
Income tax	(17,868,920)	-	(17,868,920)	(9,097,722)	-	(9,097,719)
Profit for the period	**97,509,659**	**(3,453,063)**	**94,056,597**	**73,569,054**	**(3,453,063)**	**70,115,992**
Other comprehensive income (OCI) net of income tax :						
Remeasurements of post-employment benefit obligations	(621,039)	-	(621,039)	(621,039)	-	(621,039)
Items that may be subsequently reclassified to the income statement:						
Foreign currency translation differences for foreign subsidiaries						
- Realised gains during the period	-	-	-	-	-	-
- Unrealised gains /(losses) during the period	(4,155,945)	-	(4,155,945)	-	-	-
Net changes in fair value of AFS financial instruments		-	-	-		
-Fair value changes during the period	6,586,645	-	6,586,645	7,436,899	-	7,436,899
Fair value changes on AFS financial instruments from associates	-	-	-	-	-	-
Other comprehensive gain, net of related tax effects	1,809,661	(3,453,063)	(1,643,402)	6,815,860	(3,453,063)	3,362,797
Total comprehensive income for the period	**99,319,320**	**(3,453,063)**	**95,866,257**	**80,384,914**	**(3,453,063)**	**76,931,851**
Profit attributable to:						
Owners of the bank	96,519,831	(3,453,063)	93,066,767	73,569,054	(3,453,063)	70,115,991
Non-controlling interest	989,829	-	989,829	-	-	-
Profit for the period	**97,509,659**	**(3,453,063)**	**94,056,596**	**73,569,054**	**(3,453,063)**	**70,115,991**
Total comprehensive income attributable to:						
Owners of the bank	99,098,451	(3,453,063)	95,645,387	80,384,914	(3,453,063)	76,931,851
Non-controlling interest	220,870	-	220,870	-	-	-
Total comprehensive income for the period	**99,319,320**	**(3,453,063)**	**95,866,257**	**80,384,914**	**(3,453,063)**	**76,931,851**
Earnings per share attributable to ordinary shareholders						
Restated Basic (kobo)	290	(10)	279	217	(10)	207
Restated Diluted (kobo)	285	(10)	275	217	(10)	207

[1] **Amortization of identified intangible asset at acquisition for 2019**

The purchase price allocation for the acquired intangibles have now been concluded. These comprise Core deposits intangible of N28.7bn, Customer relationship of N12.7bn, Brand of N4.7bn and Goodwill of N4.6bn.

(a) Effect of reduction of N3.45bn amortization charge in retained earnings on statement of changes in equity

(b) Effect of N3.45bn amortization charge recognised in intangibles as a result of amortization of goodwill from merger of former Diamond Bank on statement of financial position

(c) Effect of N3.45bn additional amortization charge recognised as a result of amortization of identifiable intnagible asset from merger of former Diamond Bank on statement of comprehensive income

47 Non-audit services

During the year, the Bank's auditor, PricewaterHouseCoopers, was awarded the contract below;

	Service	Description	Sum N'000
1	2019 Recovery Plan review	PwC was required to review the Bank's 2019 Recovery Plan in order to comply with the Central Bank of Nigeria (CBN) and the Nigerian Deposit Insurance Company (NDIC guidelines on Recovery and Resolution Planning.	3,250
2	Data Migration Support	PwC was requested to perform a review of the data migration exercise of the Bank's business applications in 7 of its African subsidiaries namely. The objective of the project will be to determine that the data was migrated in line with the business rules defined by the bank.	75,000
3	Bank Risk and Whistleblowing Assessment 2020	PwC was required to assess the Bank's risk management practices, internal controls and level of compliance with	25,000
4	Review of 2020 Recovery and Resolution Plan.	PwC was requried to conduct a review of the Bank's 2020 Recovery and Resolution Plan.	5,500

In the Bank's opinion, the provision of this service to the bank did not impair the independence and objectivity of the external auditor.

OTHER DISCLOSURES

1.0 ASSESSMENT OF COVID-19 IMPACT ON GOING CONCERN

The outbreak of the COVID-19 pandemic had a more than expected negative impact on the global economy in the year 2020 as global attention shifted to saving lives at huge economic cost. Not surprising, Nigeria's GDP growth in Q2-2020 contracted to about -6.10%. There was however a modest improvement (though still a contraction) in Q3 2020 to about -3.62%

The Nigeria economy faced serious macroeconomic disequilibrium and distortions in 2020 as the pandemic together with dollar shortages led to a spike in inflation to about 15.75% as at Q4-2020. The pandemic outbreak also led to a decrease in oil prices & production levels, lower level of investment, weak government revenue to finance critical projects & bailouts, weak alignment of fiscal and monetary policy thrusts, foreign currency (FX) supply bottlenecks and delay in implementing new FX regime, declining external reserves making LCY support tough, rising public debt without improvement in infrastructure and huge Naira devaluation. The spike in inflation resulted in rising food prices following supply disruptions, increased logistic cost, impact of rising exchange rate of the local currency and continuous border closure.
The rising inflation made Nigerians poorer as purchasing power dips, decreased disposable income, elevate cost of doing business and generally keep real interest rates in the negative territory.

As a Bank operating within this environment, it was also directly impacted by the pandemic. Some of the factors that directly impacted the Bank's operations includes:

1. The pandemic led to a decline in savings and demand for credit while also putting pressure on asset quality
2. Foreign currency liquidity challenges following oil prices collapse affected diaspora remittances
3. 3. The huge Naira devaluation of the official currency rate of 23% to N379 and I&E window by 13% to N410, brought about an increase in the Bank's demand for dollar asset that has little or no risk -weighting in capital adequacy ratio computation
4. Increased inflation rate brought about by currency devaluation, VAT increase and continuous border closure made cost management in 2020 very crucial
5. The lockdown imposed by the government forced most employees of the Bank to work from home which brought about huge investment in improving the Bank's cybersecurity and purchase of home-work devices like laptops
6. The Pandemic also resulted in the Bank spending more on personal protective kits.
7. Increased fraud rate

In combating the challenges above, the Group was able to deploy its Business Continuity Plan and put in place some measures to ensure that its going concern status is not threatened. See below a summary of some of the measures, amongst others, put in place by the Group to ensure its operations are not halted by the pandemic:

1. Intensify our cybersecurity activities to prevent operational losses due to electronic frauds
2. Business support and constant engagement with customers operating within those sectors badly hit by the pandemic.
3. Push Brand awareness, electronic and mobile payments and convenience banking.
4. Adequate Liquidity management
5. Activation of Incident Command Center
6. Provision of virtual private network (VPN) access to critical staff
7. Daily monitoring and assessment of our loan portfolio

8. Continuous communications and customer engagements throughout this period.
9. Constant monitoring of sectors severely affected by the pandemic and proactively ascertaining the liquidity of secured collateral to exposure in the sector
10. To manage increased operating cost brought about by the pandemic, several cost cutting initiatives were introduced within the Bank
11. Constant monitoring of staff working from Home to ensure that the Bank's productivity level does n relapse.

In addition to the above, a forecast of macroeconomic indicators under different scenarios using key macro indicators that drive the Nigerian economy such as Government spending, revenue from Oil & Non-oil exports, Exchange rate, GDP, Interest Rate, Inflation, Capital and money market was also done.

As the global economy is currently recovering from the first wave of the pandemic and with the fear of a looming second wave, the possible quantitative impact to the Group is constantly being monitored and reviewed.

At this point however, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow various government policies and advice, and we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people. The Group is confident that, based on the risk management processes in place, the going concern status of the institution is not threatened and the Group will continue to operate into the foreseeable future

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira

	Group December 2020	%	Group December 2019	%
Gross earnings	764,717,442		666,753,600	
Interest expense				
Foreign	(52,735,999)		(51,896,854)	
Local	(128,464,214)		(161,899,034)	
	583,517,229		452,957,713	
Net impairment (loss) on financial assets	(61,527,162)		(21,570,098)	
Net impairment loss on other financial assets	(1,365,958)		1,380,705	
Bought-in-materials and services				
Foreign	(5,925,977)		(4,615,091)	
Local	(231,686,137)		(163,158,795)	
Value added	**283,011,996**		**264,994,435**	
Distribution of Value Added				
To Employees:				
Employees costs	73,173,177	26%	76,964,138	24%
To government				
Government as taxes	19,912,433	7%	17,868,920	10%
To providers of finance				
Interest on borrowings	45,066,450	16%	46,944,180	11%
Dividend to shareholders	23,104,397	8%	17,772,613	7%
Retained in business:				
For replacement of property and equipment and intangible assets	37,528,528	13%	25,707,536	9%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	84,227,008	30%	79,737,046	40%
	283,011,996	**100%**	**264,994,435**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira	Bank December 2020	%	Bank December 2019	%
Gross earnings	634,863,769		576,347,839	
Interest expense				
Foreign	(54,293,516)		(54,084,352)	
Local	(100,242,201)		(139,845,670)	
	480,328,053		382,417,819	
Net impairment (loss) on financial assets	(39,650,580)		(22,694,279)	
Net impairment loss on other financial assets	-		1,638,801	
Bought-in-materials and services				
Foreign	(6,340,427)		(4,615,091)	
Local	(212,301,421)		(146,744,603)	
Value added	**222,035,624**		**210,002,644**	
Distribution of Value Added				
To Employees:				
Employees costs	54,590,721	25%	60,712,847	20%
To government				
Government as taxes	10,156,549	5%	9,097,722	8%
To providers of finance				
Interest on borrowings	43,867,876	20%	45,521,346	19%
Dividend to shareholders	23,104,397	10%	17,772,613	8%
Retained in business:				
For replacement of property and equipment	32,059,429	14%	21,101,674	9%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	58,256,650	26%	55,796,442	35%
	222,035,624	**100%**	**210,002,644**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Group	December 2020	Restated December 2019	December 2018	Restated December 2017	Restated December 2016
	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	723,872,820	723,064,003	740,926,362	547,134,325	413,421,081
Investment under management	30,451,466	28,291,959	23,839,394	20,257,131	14,871,247
Non pledged trading assets	207,951,943	129,819,239	38,817,147	46,854,061	44,629,579
Pledged assets	228,545,536	605,555,891	554,052,956	447,114,404	314,947,502
Derivative financial instruments	251,112,744	143,520,553	128,440,342	93,419,293	156,042,984
Loans and advances to banks	392,821,307	152,825,081	142,489,543	68,114,076	45,203,002
Loans and advances to customers	3,218,107,026	2,911,579,708	1,993,606,233	1,995,987,627	1,809,459,172
Investment securities	1,749,549,149	1,084,604,185	501,072,480	278,167,758	229,113,772
Investment properties	217,000	927,000	-	-	-
Other assets	1,548,891,262	1,055,510,452	704,326,780	489,563,282	363,723,078
Property and equipment	226,478,711	211,214,238	103,668,719	97,114,642	84,109,052
Intangible assets	69,189,841	62,479,691	9,752,498	8,295,855	6,939,555
Deferred tax assets	4,240,448	8,807,563	922,660	740,402	1,264,813
Assets classified as held for sale	28,318,467	24,957,519	12,241,824	9,479,967	140,727
Total assets	8,679,747,720	7,143,157,080	4,954,156,938	4,102,242,823	3,483,865,564
Liabilities					
Deposits from financial institutions	958,397,171	1,186,356,312	994,572,845	450,196,970	167,356,583
Deposits from customers	5,587,418,213	4,255,837,303	2,564,908,384	2,244,879,075	2,089,197,286
Derivative financial instruments	20,880,529	6,885,680	5,206,001	5,332,177	30,444,501
Current tax liabilities	2,159,921	3,531,410	4,057,862	7,489,586	5,938,662
Other liabilities	379,416,799	324,333,874	246,438,951	258,166,549	115,920,249
Deferred tax liabilities	14,877,283	11,272,928	6,456,840	8,764,262	3,699,050
Debt securities issued	169,160,059	157,987,877	251,251,383	302,106,706	316,544,502
Interest-bearing borrowings	791,455,237	586,602,830	388,416,734	311,617,187	299,543,707
Retirement benefit obligations	4,941,268	3,609,037	2,336,183	2,495,274	3,075,453
Total liabilities	7,928,706,481	6,536,417,251	4,463,645,183	3,591,047,788	3,031,719,993
Equity					
Share capital and share premium	251,811,463	251,811,463	212,438,802	212,438,802	212,438,802
Retained earnings	252,396,877	221,665,751	155,592,892	113,449,307	91,265,019
Other components of equity	239,494,175	124,733,788	114,609,701	178,399,413	142,194,725
Non controlling interest	7,338,726	8,528,833	7,870,360	6,907,515	6,247,028
Total equity	751,041,243	606,739,835	490,511,755	511,195,037	452,145,575
Total liabilities and Equity	8,679,747,720	7,143,157,080	4,954,156,938	4,102,242,823	3,483,865,564
Gross earnings	764,717,442	666,753,601	528,744,579	459,075,779	381,320,781
Profit before income tax	125,922,127	111,925,519	103,187,703	78,169,119	87,990,444
Profit from continuing operations	106,009,693	94,056,599	94,981,086	60,087,491	69,090,335
Profit for the year	106,009,693	94,056,599	94,981,086	60,087,491	69,090,335
Non controlling interest	1,326,710	1,007,735	962,845	13,090	322,322
Profit attributable to equity holders	104,682,983	93,048,864	94,018,240	60,074,401	68,768,013
Dividend paid	23,104,397	17,772,613	18,803,180	18,803,180	15,910,384
Earning per share - Basic	300k	279k	330k	218k	249k
- Adjusted	294k	274k	325k	214k	245k
Number of ordinary shares of 50k	35,545,225,623	35,545,225,623	28,927,971,631	28,927,971,631	28,927,971,631

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Bank	December 2020	Restated December 2019	December 2018	Restated December 2017	Restated December 2016
	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	589,812,439	575,906,273	338,289,912	252,521,543	219,813,090
Investment under management	30,451,466	28,291,959	23,839,394	20,257,131	14,871,247
Non pledged trading assets	110,283,112	76,971,761	36,581,058	43,016,990	44,629,579
Pledged assets	228,545,536	605,555,892	554,052,956	440,503,327	314,947,502
Derivative financial instruments	244,564,046	143,480,073	128,133,789	92,390,219	155,772,662
Loans and advances to banks	231,788,276	164,413,001	100,993,116	101,429,001	104,006,574
Loans and advances to customers	2,818,875,731	2,481,623,671	1,681,761,862	1,771,282,739	1,594,562,345
Investment securities	1,428,039,662	813,706,953	258,580,286	121,537,302	161,200,642
Other assets	1,490,633,058	1,004,310,288	625,813,176	469,812,502	348,778,639
Investment properties	217,000	727,000	-	-	-
Investment in subsidiary	164,251,532	131,458,709	111,203,496	87,794,631	59,239,252
Property and equipment	191,893,321	188,634,460	88,392,543	83,676,723	71,824,472
Intangible assets	67,496,078	67,550,666	8,231,197	5,981,905	5,173,784
Deferred tax assets	-	-	-	-	-
Assets classified as held for sale	28,128,467	24,957,518	12,241,824	9,479,967	140,727
Total assets	7,624,979,724	6,307,588,225	3,968,114,608	3,499,683,982	3,094,960,515
Liabilities					
Deposits from banks	831,632,332	1,079,284,414	616,644,611	276,140,835	95,122,188
Deposits from customers	4,832,744,495	3,668,339,811	2,058,738,930	1,910,773,713	1,813,042,872
Derivative financial instruments	20,775,722	6,827,293	5,185,870	5,306,450	30,275,181
Debt securities issued	169,160,059	157,987,877	251,251,383	302,106,706	243,952,418
Current tax liabilities	2,546,892	1,409,436	2,939,801	4,547,920	5,004,160
Other liabilities	342,460,276	302,261,962	222,046,143	242,948,060	109,887,952
Retirement benefit obligations	4,584,149	3,418,060	2,319,707	2,481,916	3,064,597
Interest-bearing borrowings	755,254,273	544,064,226	363,682,441	282,291,141	372,179,785
Deferred tax liabilities	11,925,862	4,507,110	4,505,966	7,848,515	3,101,753
Total liabilities	6,971,084,060	5,768,100,189	3,527,314,852	3,034,445,256	2,675,630,906
Equity					
Share capital and share premium	251,811,463	251,811,463	212,438,802	212,438,802	212,438,802
Retained earnings	206,896,037	188,925,555	148,238,575	115,966,230	90,980,177
Other components of equity	195,188,165	98,751,019	80,122,380	136,833,692	115,910,630
Total equity	653,895,665	539,488,037	440,799,756	465,238,725	419,329,609
Total liabilities and Equity	7,624,979,724	6,307,588,225	3,968,114,608	3,499,683,982	3,094,960,515
Gross earnings	634,863,769	572,060,174	435,743,037	398,161,576	331,000,972
Profit before income tax	90,195,880	79,213,713	75,248,146	65,140,136	78,230,565
Profit for the year	80,039,329	70,115,991	73,596,295	51,335,460	61,677,124
Dividend paid	23,104,397	18,803,180	18,803,180	15,910,384	13,729,777
Earning per share - Basic	225k	207	177k	221k	174k
- Adjusted	225k	207	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