ACCESS BANK PLC

INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2022

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ACCESS BANK PLC
Index to the consolidated and separate financial statements
For the period ended 30 June 2022

Corporate information

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

Directors

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

* Retired effective May 1, 2022
** Appointed effective May 1, 2022
*** Retired effective April 30, 2022
**** Appointed effective April 30, 2022
***** Appointed effective May 1, 2022
****** Appointed effective May 1, 2022

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.

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

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

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

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

Actuaries
Alexander Forbes Consulting Actuaries Nig. Ltd
Rio Plaza, 2nd Floor , Plot 235, Muri Okunola Street
Victoria Island, Lagos
Telephone: (01) 271 1081
FRC Number: FRC/2012/ICAN/00000000000504

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

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

For further information please contact:

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

Directors' Report
For the period ended 30 June, 2022

The Directors have pleasure in presenting their report on the affairs of Access Bank Plc (the "Bank") together with its subsidiaries (the "Group"), the Group and the Bank's Audited Financial Statements with Auditor's Report for the period ended 30 June 2022.

Legal form and principal activities

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

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

The Bank has the following subsidiaries: Access Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank (UK) Limited, Access Bank (Ghana) Plc, Access Bank (Rwanda), Access Pension Fund Custodian Ltd, Access Bank (D.R. Congo), Access Bank (Guinea), Access Bank (Mozambique), Access Bank (South Africa), Access Bank (Kenya), Access Bank (Botswana) and Access Bank (Cameroon). As at period end, the Bank was in the process of selling off its Pension Fund Custodian business.

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).

Following the Court sanction of the Scheme of Arrangement between the Bank and its former shareholders, leading to the establishment of Access Holdings Plc, the Bank's shares have been delisted from the floor of the Nigeria Exchange Limited (NGX) on 24 March, 2022. The Bank's shares were subsequently listed on NASD on 28, March 2022 on a non-trading basis.

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

Operating results

In millions of Naira	**Group June 2022**	***Restated Group June 2021**	**Bank June 2022**	**Bank June 2021**
Gross earnings	**591,806**	**450,302**	**468,890**	**353,739**
Profit before income tax	100,094	97,377	58,407	59,348
Income tax	(9,284)	(10,560)	2,661	(1,206)
Profit from continuing operations	90,810	86,817	61,068	58,142
Discontinued operations	148	120		
Profit for the period	90,958	86,937	61,068	58,142
Other comprehensive (loss)/income	(40,104)	(43,272)	(3,662)	(67,412)
Total comprehensive income/(loss) for the period	50,706	43,545	57,405	(9,270)
Non-controlling interest	(5,852)	3,668	-	-
Profit/ (loss) attributable to equity holders of the bank	56,558	39,877	57,403	(9,270)

In millions of Naira	**Group June 2022**	**Group June 2021**	**Bank June 2022**	**Bank June 2021**
Earnings per share - Basic (k)	258	248	172	164
Earnings per share - Diluted (k)	251	242	172	164

In millions of Naira	**Group June 2022**	**Group December 2021**	**Bank June 2022**	**Bank December 2021**
Total equity	1,075,526	1,050,029	904,067	871,450
Total impaired loans and advances	185,790	181,660	80,364	73,411
Total impaired loans and advances to gross risk assets (%)	3.68%	4.00%	1.98%	2.03%

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

Interim dividend

The Board of Directors proposed interim Dividend of 27 Kobo per ordinary share of 50 Kobo each (HY2021: 30 Kobo) each on the 35,545,225,622 issued ordinary shares of 50k

each payable to shareholders on the register of shareholding at the closure date. Withholding Tax will be deducted at the time of payment.

Directors and their interests

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

Number of Ordinary Shares of 50k each held as at 30 June 2022

	June 2022		December 2021	
	Direct	Indirect	Direct	Indirect
H. O. Wigwe*	1	-	201,231,713	1,316,619,016
R. M. Ogbonna**	1	-	44,883,087	-
A. O. Ogunmefun***	-	-	-	2,332,915
V.O. Etuokwu*****	-	-	23,746,139	-
P. Usoro	-	-	1,209,634	-
A. Awosika	-	-	7,109,104	-
G. Jobome	-	-	15,532,209	-
I. T Akpana	-	-	314,996	-
A. A. Adekoya	-	-	-	-
H. Ambursa	-	-	15,579,717	-
A. Bajomo	-	-	2,296,139	-
C. J. Okoli******	-	-	-	1,507,020
O. Nwuke	-	-	1,739,293	-
I. Osime	-	-	10,179	-
H. Usman	-	-	-	-
O. Kumapayi	1	-	26,751,395	-
O. Fajobi	-	-	-	-
T. Osuntoki****	-	-	-	-

* Retired effective May 1, 2022
** Appointed effective May 1, 2022
*** Retired effective April 30, 2022
**** Appointed effective April 30, 2022
***** Appointed effective May 1, 2022
****** Appointed effective May 1, 2022

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

		June 2022	December 2021
H.O. Wigwe	United Alliance Company of Nig. Ltd	-	537,734,219
	Trust and Capital Limited	-	584,056,979
	Coronation Trustees Tengen Mauritius	-	194,827,819
A.O. Ogunmefun	L.O.C Nominees, Limited	-	2,332,915
C. J. Okoli	FM & Y Limited	-	1,507,020

Directors' interest in contracts

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

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

Analysis of shareholding:

The shareholding pattern of the Bank as at 30 June 2022 was as stated below:

	June 2022			
Range	Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
Domestic Shareholders				
1 - 1,000	4	80.00%	4	0.00%
1,001 - 5,000	-	0.00%	-	0.00%
5,001 - 10,000	-	0.00%	-	0.00%
10,001 - 50,000	-	0.00%	-	0.00%
50,001- 100,000	-	0.00%	-	0.00%
100,001 - 500,000	-	0.00%	-	0.00%
500,001 - 1,000,000	-	0.00%	-	0.00%
1,000,001 - 5,000,000	-	0.00%	-	0.00%
5,000,001 - 10,000,000	-	0.00%	-	0.00%
10,000,001 - 50,000,000	-	0.00%	-	0.00%
50,000,001 - 100,000,000	-	0.00%	-	0.00%
100,000,001 - 500,000,000	-	0.00%	-	0.00%
500,000,001 - 1,000,000,000	-	0.00%	-	0.00%
1,000,000,001 - 10,000,000,000	-	0.00%	-	0.00%
10,000,000,001 and Above	1	20.00%	35,545,225,618	100.00%
	5	**100%**	**35,545,225,622**	**100%**
Foreign Shareholders	**-**	**0%**	**-**	**0.00%**
Total	**5**	**100%**	**35,545,225,622**	**100%**

Shareholding Analysis as at 30 June 2022

Type of Shareholding	**Holdings**	**Holding %**
Retail investors	4	0.00%
Domestic institutional investors	35,545,225,618	100.00%
Foreign institutional investors	-	0.00%
Foreign retail Investors	-	0.00%
Government related entities	-	0.00%
	35,545,225,622	**100%**

The shareholding pattern of the Bank as at 31 December 2021 is as stated below:

Range	December 2021 Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
Domestic Shareholders				
1 - 1,000	482,991	52.60%	92,150,589	0.28%
1,001 - 5,000	270,134	29.42%	601,034,014	1.82%
5001 - 10,000	68,317	7.44%	470,506,522	1.42%
10,001 - 50,000	74,083	8.07%	1,498,107,195	4.53%
50,001- 100,000	11,184	1.22%	808,947,706	2.45%
100,001 - 500,000	8,885	0.97%	1,812,294,997	5.48%
500,001 - 1,000,000	1,183	0.13%	860,149,412	2.60%
1,000,001 - 5,000,000	1,061	0.12%	2,118,280,397	6.40%
5,000,001 - 10,000,000	137	0.01%	982,131,546	2.97%
10,000,001 - 50,000,000	173	0.02%	4,000,853,778	12.09%
50,000,001 - 100,000,000	31	0.00%	2,115,394,678	6.39%
100,000,001 - 500,000,000	32	0.00%	6,273,264,875	18.96%
500,000,001 - 1,000,000,000	7	0.00%	4,728,325,380	14.29%
1,000,000,001 - 10,000,000,000	5	0.00%	6,721,379,505	20.32%
	918,223	**100.00%**	**33,082,820,594**	**100.00%**
Foreign Shareholders				
1 - 1,000	356	25.76%	114,564	0.00%
1,001 - 5,000	353	25.54%	936,752	0.04%
5001 - 10,000	164	11.87%	1,217,228	0.05%
10,001 - 50,000	367	26.56%	8,467,962	0.34%
50,001- 100,000	68	4.92%	4,841,526	0.20%
100,001 - 500,000	46	3.33%	8,358,245	0.34%
500,001 - 1,000,000	7	0.51%	4,813,054	0.20%
1,000,001 - 5,000,000	7	0.51%	14,088,150	0.57%
5,000,001 - 10,000,000	1	0.07%	7,850,798	0.32%
10,000,001 - 50,000,000	6	0.43%	115,345,415	4.68%
50,000,001 - 100,000,000	2	0.14%	150,361,195	6.11%
100,000,001 - 500,000,000	3	0.22%	400,623,868	16.27%
500,000,001 - 1,000,000,000	1	0.07%	564,553,083	22.93%
1,000,000,001 - 10,000,000,000	1	0.07%	1,180,833,188	47.95%
	1,382	**100.00%**	**2,462,405,028**	**100.00%**
Total	**919,605**	**100.00%**	**35,545,225,622**	**100.00%**

Shareholding Analysis as at 31 December 2021

Type of Shareholding	**Holdings**	**Holding %**
Retail investors	9,348,126,792	26.30%
Domestic institutional investors	23,644,382,405	66.52%
Foreign institutional investors	2,285,185,700	6.43%
Foreign retail Investors	177,219,328	0.50%
Government related entities	90,311,397	0.25%
	35,545,225,622	**100%**

Substantial interest in shares

According to the register of members at 30 June 2022, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

	June 2022 Number of shares held	June 2022 % of shareholding	December 2021 Number of shares held	December 2021 % of shareholding
Access Holdings Plc*	35,545,225,618	100%		
Stanbic Nominees Nigeria Limited**	-	0.00%	4,088,387,249	11.50%

*Access Holdings Plc is the ultimate parent of the banking group

**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 N541,338,387 (December 2021: N4,059,823,884) during the period, as listed below:

S/N	Purpose	Amount (₦)
1	Sponsorship of the New Lagos Polo Club Clubhouse	147,563,202
2	Contribution towards the Duke of Edinburgh's Internatinal Award	54,646,000
3	Contribution towards the Anambra State Security Trust Fund Appeal	50,000,000
4	Supporting CKA and their track and pitch installation project	40,000,000
5	Sponsorship of the 5th edition of the National MSME Awards 2022	40,000,000
6	Sponsorship of Neku Atawodi-Edun to play at the British Polo Season	37,409,400
7	Contribution towards the Mamman Marshal Foundation	25,000,000
8	Support the Ovie Brume Foundation	20,000,000
9	Sponsorship of the N.C.F. for the Women's T20 Invitational Tournament	20,000,000
10	Sponsorship of the NTIC 17th Annual Mathematics Competition	20,000,000
11	Sponsorship of the West African Capital Market SEC	12,504,600
12	Support for International day for the Elimination of Sexual Violence in Conflict	5,000,000
13	Sponsorship of 2022 Steam Fun Fest	5,000,000
14	Sponsorship for 2022 annual lecture international leadership symposium	5,000,000
15	Sponsorship of 2022 for table tennis federation	5,000,000
16	Payment for goinvest program gombe state	5,000,000
17	Sponsorship of benue television corporation	5,000,000
18	Sponsorship partnership of 2022 annual marketing confernce agm	5,000,000
19	Sponsorship of the 16th annual conference of the nigerian bar ass	5,000,000
20	Sponsorship ifo alliance francaise lagos	4,356,185
21	Sponsorship payment for the national summit on igbo apprenticeship	4,000,000
22	Yearly sponsorship ifo lebanese ladies society	4,000,000
23	Sponsorship payment for ogiame the play	4,000,000
24	Support for the lagos and ogun state female sweepers financial literacy skill acquisition	4,000,000
25	Support for climate leadership fellowship program cohort 3	3,500,000
26	Support TAHF in providing Succor to Vulnerable Families and Individuals living with Sickle Cell Anaemia	3,000,000
27	Sponsorship of Nigerian British Chamber of Commerce	2,500,000
28	Support the TD Africa Women program	2,500,000
29	Sponsorship for CSO Professionalism and Effectiveness Therapy (C-PET) Workshop 2022	2,359,000
		541,338,387

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

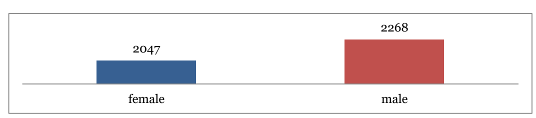
(i) Report on diversity in employment

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.

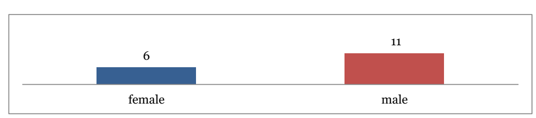
(a) Composition of employees by gender

Total number of female employees	2,047
Total number of male employees	2,268



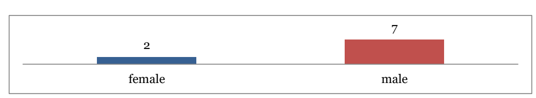
(b) Board Composition By Gender as at 30 June 2022

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



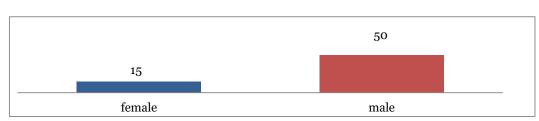
(c) Top Management (Executive Director To CEO) Composition By Gender

Total number of female in Executive Management position	2
Total number of persons in Executive Management position	7



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

Total number of female in Top Management position	15
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 its expense.
Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

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

(iv) Employee involvement and training

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

(v) Statement of commitment to maintain positive work environment

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

Credit Ratings

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

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

Long Term Local Credit Ratings

	Long Term	**Date**
Standard & Poor's	BBB	Jun-22
Fitch Ratings	A+	Jun-22
Agusto & Co	AA	Jun-22
Moody's	A1	Dec-21

Long Term Counterparty Credit Ratings

	Long Term	
Standard & Poor's	B-	Jun-22
Fitch Ratings	B	Jun-22
Moody's	B2	Dec-21

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

Audit committee

Pursuant to Section 404(3) of the Companies and Allied Matters Act of Nigeria, the Bank has an Audit Committee comprising two 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	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

CUSTOMER COMPLAINTS AND FEEDBACK

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

Complaints Channels

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

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

Complaints Handling

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

Resolve or Refer command Centre

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

Complaints Tracking and Reporting

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

ACCESS BANK PLC CUSTOMER'S COMPLAINTS FOR THE PERIOD ENDED 30 JUNE 2022

	NAIRA						
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (NAIRA)		AMOUNT REFUNDED (NAIRA)	
		2022	2021	2022	2021	2022	2021
1	Pending complaints B/F	306,116	220,904	249,742,931,153	60,391,165,527	-	-
2	Received Complaints	1,387,702	2,205,214	57,867,013,051	193,042,193,644	-	-
3	Resolved complaints	1,063,180	2,120,002	36,926,186,409	3,690,428,018	9,194,239,675	2,739,021,674
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	324,343	306,116	1,146,458,993	249,742,931,153	-	-

	USD						
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (USD)		AMOUNT REFUNDED (USD)	
		2022	2021	2022	2021	2022	2021
1	Pending complaints B/F	785	388	251,058,322	126,863,490	-	-
2	Received Complaints	7073	13,023	101,737,785	124,270,026	-	-
3	Resolved complaints	6634	12,626	86,316,989	75,194	17,027	45,914
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	439	785	436,426	251,058,322	-	-

S/N	GBP DESCRIPTION	NUMBER		AMOUNT CLAIMED (GBP)		AMOUNT REFUNDED (GBP)	
		2022	2021	2022	2021	2022	2021
1	Pending complaints B/F	34	28	1,193,776	563,757		-
2	Received Complaints	185	342	339,078	630,018	-	-
3	Resolved complaints	180	336	332,087	-	-	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	5	34	5,152	1,193,776	-	-

S/N	EUR DESCRIPTION	NUMBER		AMOUNT CLAIMED (EUR)		AMOUNT REFUNDED (EUR)	
		2022	2021	2022	2021	2022	2021
1	Pending complaints B/F	19	16	2,445,101	779,847	-	-
2	Received Complaints	153	447	143,800	1,665,254	-	-
3	Resolved complaints	150	444	136,810	-	-	5,500
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	1	19	5,099	2,445,101	-	-

Solicited Customer Feedback

Deliberate efforts are made to solicit feedback from customers and staff on the services and products of the bank through the following:

- Questionnaires
- Customer interviews
- Customers forum
- Quest for Excellence Sessions (for staff)
- Voice of Customer Surveys

The various feedback efforts are coordinated by our Service and innovation Group

The feedback obtained from customers are reviewed and lessons learnt are used for staff training and service improvement across the bank.

REPORTS TO THE CBN ON FRAUD AND FORGERIES

This report represents the fraud and forgery incidents that occurred during the period. It is a summation of attempted and successful fraud incidents. The actual loss that was incurred by the Bank for the period is N1.2Bn (December 2021: N502 million). The rest of the loss amount represents the losses incurred by other third parties

June 2022

		Successful				Unsuccessful			
S/N	**Category**	**Frequency**	**Amount involved ₦'000**	**Actual Loss ₦'000**	**% Loss**	**Frequency**	**Amount involved ₦'000**	**Actual loss ₦'000**	**% Loss**
1	Electronic Fraud/USSD	7,079	572,196	-	0%	849	2,344,715	-	-
2	Cash Theft/ Suppression/Pilferage/Dry posting	14	138,912	116,863	10%	-	-	-	-
3	Fraudulent Transfer/Withdrawals/Reactivation of account	10	9,481,562	1,079,490	90%	1	-	-	-
4	Fraudulent cash Lodgement	-	-	-	0%	1	625	-	-
5	Armed Robbery	1	6,684	6,684	1%	-	-	-	-
6	Cyber Attack	-	-	-	0%	-	-	-	-
7	Clearing	-	-	-	0%	-	-	-	-
8	Presentation of Forged Instrument	-	-	-	0%	-	-	-	-
9	Fraudulent manipulation of "Form M"	-	-	-	0%	-	-	-	-
10	Fraudulent diversion of funds	-	-	-	0%	-	-	-	-
11	Electronic Fraud/Cybersecurity	-	-	-	0%	531	-	-	-
12	Electronic Fraud/wallet/Suspicious wallet	-	-	-	0%	2,220	-	-	-
	TOTAL	**7,104**	**10,199,353**	**1,203,038**	**1**	**3,602**	**2,345,339**	**-**	**-**

June 2021

		Successful				Unsuccessful			
S/N	**Category**	**Frequency**	**Amount involved ₦'000**	**Actual Loss ₦'000**	**% Loss**	**Frequency**	**Amount involved ₦'000**	**Actual Loss ₦'000**	**% Loss**
1	Electronic Fraud/USSD	9,283	681,567	668,204	80%	33,045	497,179	-	-
2	Cash Theft/ Suppression/Pilferage/Dry posting	16	13,252	11,061	1%	1	-	-	-
3	Fraudulent Transfer/Withdrawals/Reactivation of account	7	202,191	130,362	16%	-	-	-	-
4	Fraudulent cash Lodgement	-	-	-	0%	-	-	-	-
5	Armed Robbery	3	20,579	20,579	2%	-	-	-	-
6	Cyber Attack	-	-	-	0%	-	-	-	-
7	Clearing	-	-	-	0%	-	-	-	-
8	Presentation of Forged Instrument	-	-	-	0%	-	-	-	-
9	Fraudulent manipulation of "Form M"	-	-	-	0%	-	6,647,395	-	-
10	Fraudulent diversion of funds	1	31,330	7,403	1%	-	-	-	-
11	Electronic Fraud/Cybersecurity	-	-	-	0%	2,613	4,969,001	-	-
12	Electronic Fraud/wallet/Suspicious wallet	-	-	-	0%	219	-	-	-
	TOTAL	**9,310**	**948,918**	**837,608**	**100%**	**35,878**	**12,113,575**	**-**	**-**

CORPORATE GOVERNANCE REPORT FOR HALF YEAR ENDED JUNE 30, 2022

The Board of Access Bank Plc ('the Bank') is pleased to present the Corporate Governance Report for Half Year ended June 30, 2022. The report provides insight into the operations of our governance framework and Board's key activities during the reporting period.

The Board recognises that sustainable competitiveness and excellence require the implementation of effective corporate governance frameworks and best practices. It understands that sound governance practices are required to earn the trust of stakeholders, which is essential for sustainable growth. The Board is focused on protecting stakeholders' interests and enhancing shareholders' value. The Group's corporate governance framework is designed to align management's actions with the interest of shareholders while ensuring an appropriate balance with the interests of other stakeholders.

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

The Group's governance framework 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 to the Bank's framework to the extent allowed 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.

Mrs. Anthonia Ogunmefun who was a Non-Executive Director retired from the Bank with effect from April 30, 2022 following her attainment of the Bank's retirement age for Directors.

Mrs. Titilayo Osuntoki was appointed as a Non-Executive Director of the Bank on April 13, 2022.

Mr. Herbert Wigwe resigned as the Managing Director/Chief Executive Officer of the Bank effective May 1, 2022 and was appointed as a Non-Executive Director of the Bank.
Mr. Roosevelt Ogbonna was appointed as the Managing Director/Chief Executive Officer of the Bank effective May 1, 2022.

Mr. Victor Etuokwu was appointed as the Deputy Managing Director, Retail North effective May 1, 2022.

Mrs. Chizoma Okoli was appointed as the Deputy Managing Director, Retail South effective May 1, 2022.

Composition and Role

As of June 30, 2022, the Board was made up of 17 members comprising 10 Non-Executive and 7 Executive Directors. Six of the Board members are female.

Board Members Profile

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

Dr. Awosika is an accomplished administrator with over three decades' experience in public sector governance. She was at various times, the Permanent Secretary in the Federal Ministries of Internal Affairs, Power and Science and Technology. 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 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, Council of University of Warri, African Initiative for Governance, Med-In Pharmaceuticals Limited, and International Foundation Against Infectious Diseases.

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

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

Mr. Paul Usoro, SAN
Non-Executive Director

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

He was elected President of the Nigerian Bar Association in August 2018 for a two-year term and is currently a Non-Executive Director of PZ Cussons Nigeria Plc. He 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 63 years old as at the end of the reporting period.

Mr. Adeniyi Adekoya
Independent Non- Executive Director

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

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

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

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

Mr. Iboroma Akpana
Independent Non- Executive Director

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

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

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

He is 57 years old as at the end of the reporting period.

Mrs. Ifeyinwa Osime
Independent Non-Executive Director

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

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

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

She holds a Master's degree in Law from University of London (1989) with specialisation in Corporate and Commercial Law and Bachelor's of Law 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 55 years old as at the end of the reporting period.

Dr. Okey Nwuke, FCA
Non-Executive Director

Dr. Nwuke has over 30 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 sits on the Boards of Coscharis Group Plc and its subsidiaries, Personal Trust Micro Finance Bank Limited, First Ally Asset Management Limited, Simply Gift and Interiors Limited, Claritus Limited, Rekit Financial Advisers Limited and Access Pension Fund Custodian Limited.

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

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

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

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

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

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

Mr. Usman joined the Board in August 2020 and is the Chairman of the Board Risk Management Committee.

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

Mrs. Omosalewa Fajobi
Non-Executive Director

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

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

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

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

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

Mrs. Fajobi joined the Board in November 2020.

She is 44 years old as at the end of the reporting period.

Mrs. Titilayo Osuntoki
Non-Executive Director

Mrs. Osuntoki is an accomplished banker and business consultant with over two decades of cognate experience cutting across all facets of banking. She worked with Guaranty Trust Bank from 1991 to 2011 where she served in various functions including Foreign Exchange Desk; Financial Control and Risk Management; Corporate Finance and Commercial Banking. She served as Executive Director between 2008 and 2011.

Mrs. Osuntoki was subsequently appointed as an Executive Director in Access Bank Plc in 2013 where she effectively led the Business Banking Division until her resignation on March 18, 2019. She is currently the Chief Executive Officer, GTO Professional Services Limited, a business and management consulting firm.

Mrs. Osuntoki obtained a bachelor’s degree in Civil Engineering and an MBA from University of Lagos in 1987 and 2000 respectively. She is an alumnus of Canfield University School of Management, UK. She is a member of the Non-Oil/Non-Agric Policy Commission of the Nigerian Economic Summit Group. She is also an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria.

Mrs. Osuntoki joined the Board as a Non-Executive Director in April 2022.

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

Mr. Herbert Wigwe, FCA
Non-Executive Director

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. He resigned as the GMD/CEO in May 2022 and was appointed as a Non-Executive Director.

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

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

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

Mr. Roosevelt Ogbonna, FCA, CFA
Managing Director/Chief Executive Officer

Mr Ogbonna was appointed Executive Director, Commercial Banking Division in October 2013. He was the appointed as the Group Deputy Managing Director on May 1, 2017 and became the Managing Director/Chief Executive Officer in May 2022. He has over 20 years' experience in banking, cutting across Treasury, Commercial and Corporate Banking. He joined Access Bank Plc in 2002 as a Manager from Guaranty Trust Bank Plc.

He is a Chartered Financial Analyst, a Fellow of the Institute of Chartered Accountants of Nigeria and a member of Chartered Institute of Bankers of Nigeria.

Amongst other academic attainments, Mr. Ogbonna holds a master's degree in International Corporate and Commercial Law from King's College, London and Executive Master's Degree and Master's Degree from Cheung Kung Graduate School of Business and Institute of Management Development respectively. He graduated with a Second-Class Upper degree in Banking and Finance from University of Nigeria, Nsukka and has attended Executive Management Development Programmes on diverse areas of banking and management in world leading institutions.

Mr. Ogbonna is a Non-Executive Director of the Bank's subsidiaries in UK and South Africa and represents the Bank on the Boards of its investee companies - African Finance Corporation and Central Securities Clearing System Plc. He is also a Non-Executive Director in Access Holdings Plc.

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

Mr. Victor Etuokwu, HCIB
Deputy Managing Director, Retail North

Mr. Etuokwu's appointment as Executive Director was renewed in January 2022 following the expiration of his second 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 was appointed as the Deputy Managing Director, Retail North in May 2022.

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

Mrs. Chizoma Okoli, HCIB
Deputy Managing Director, Retail South

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 was appointed as the Deputy Managing Director, Retail South in May 2022.

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 is 53 years old as at the end of the reporting period.

Dr. Gregory Jobome, HCIB
Executive Director
Chief Risk Officer

Dr. Jobome is a thoroughbred banking professional with a strong academic background. He obtained a first-class degree in Economics from the University of Maiduguri in 1986 and a Distinction in Master's in Business Administration 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, 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 Chairman, 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 sits of the Board of Access Bank Mozambique S.A

He is 57 years old as at the end of the reporting period.

Ms. Hadiza Ambursa
Executive Director
Commercial Banking

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

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

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

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

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

Mr. Adeolu Bajomo
Executive Director
Information Technology & Operations

In January 2018, Ade was appointed to the Board of Access Bank Plc as Executive Director for Technology and Operations to reposition the digital competitiveness and operational excellence initiatives of the leading Retail Bank. Prior to that, he worked at the Nigerian Stock Exchange ('Now Nigerian Exchange Group') as Executive Director for Market Operations and Technology, where he delivered market wide initiatives that repositioned the Exchange in the top three in Africa.

He has a global career spanning over 25 years largely in the City of London and has held several senior leadership positions across several industries, including Banking, Insurance and Capital Markets. Mr. Bajomo has led major business transformation and service improvement programmes and participated in business growth initiatives. He has also spearheaded technology and operations integration of acquired entities in different sectors.

Ade Bajomo graduated with a B.Sc degree in Engineering from the University of Ife, now Obafemi Awolowo University. He holds an M.Sc degree with distinction in Information Systems from South Bank University, and an MBA from CASS Business School, City University London. He is a chartered member of the British Computer Society and a Member of the Institute of Directors.

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

He is 57 years old as at the end of the reporting period.

Mr. Oluseyi Kumapayi, FCA
Executive Director, African Subsidiaries

Prior to his appointment as an Executive Director in November 2020, Mr. Kumapayi was the Group Chief Financial Officer of Access Bank Plc, a position he 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.

Mr. Kumapayi represents the Bank on the Board of Access Bank Botswana. He is also a Non-Executive Director in Access Holdings Plc.

He is 50 years old as at the end of the reporting period.

Sunday Ekwochi, HCIB
Company Secretary

Mr. Ekwochi was appointed the Company Secretary of the Bank in March 2010. He graduated as a top student in Law from the University of Jos with a second-class upper degree in 1996 and from the Nigerian Law School in February 1998 with a second-class upper degree. He has over 2 decades of banking experience from the then African Express Bank, Fidelity Bank and Access Bank Plc. He is also the Company Secretary of Access Holdings Plc.

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

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

Performance Monitoring and Evaluation

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

The Board usually holds an annual Board retreat, where the strategy for the coming year is rigorously debated and agreed between Management and the Board. The Board held its 13th Annual Retreat on February 25-26, 2022. Management provides the Board with quarterly update on implementation of the strategy, affording the Board the opportunity to critique the Management's performance and assess 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 monitored and reported. We carry out extensive reviews of the Bank's compliance with the relevant 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, 2021. 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 Consultant in 2018 and has held office for 4 and half 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 2021 Annual Board Performance Evaluation Report was presented to shareholders at the Bank's 33rd Annual General Meeting held on March 28, 2022 by a representative of Ernst and Young while the result of the 2021 Board Performance was presented at the Board meeting held on January 27, 2022.

Board Composition- Guiding Principles

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

The Board's composition subscribes to global best practice on the need for Non-Executive Directors to exceed Executive Directors. In H1 2022, the Board had more Non-Executive Directors than Executive Directors, with four of the Non-Executive Directors being independent as against two required by the CBN Code of Corporate Governance for Banks in Nigeria. Non-Executive Directors are appointed to the Board to bring independent, specialist knowledge and impartiality to strategy development and execution monitoring. The Board is committed to improving gender diversity in its composition in line with its diversity policy. Executive Management team is composed of 25% females while the Board had 35% female members as of June 30, 2022 above Nigeria's national average of 12%.

Retirement and Re-election of Directors

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

Dr. (Mrs.) Ajoritsedere Awosika and Messrs. Iboroma Akpana and Adeniyi Adekoya retired at the Bank's 33rd Annual General Meeting held on March 28, 2022 and being eligible for re-election were re-elected by shareholders.

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
1	Mrs. Adeniyi Adekoya	Education Program of Mergers and Acquisitions	Chicago Booth School of Business. Chicago, USA.	April 4-8, 2022
2	Mrs. Anthonia Ogunmefun	Diligent Climate Leadership Course	Diligent Corporation	February 1, 2022

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 National Association of Securities Dealers (NASD) OTC 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 Relation 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 and Investors Forum.

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 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 Managing Director/Chief Executive Officer. The positions of the Group Chairman and the 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 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 Managing Director/Chief Executive Officer as well as advising the 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 Managing Director/Chief Executive Officer (‘MD/CEO’)

The MD/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 MD/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 Deputy Managing Directors, 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 Deputy Managing Directors ('DMDs')

The DMDs provides support to the MD/CEO towards the achievement of the corporate philosophy, business strategy, financial and other objectives of the Bank. They report to the MD/CEO and are 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 MD/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 National Association of Securities Dealers (NASD) OTC Secutities Exchange, the Company Secretary is responsible for designing and implementing a framework for the Bank's compliance with the listing rules, including advising Management on prompt disclosure of material information. The Company Secretary attends and prepares the minutes for all Board meetings. As secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary also assists in the development of the agenda for the various Board and Board Committee meetings. The appointment and the removal of the Company Secretary are the exclusive preserve of the Board.

Delegation of Authority

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

Board Meetings

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

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

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

The Board met 3 times during the period under review.

The Board devoted considerable time and efforts on the following issues in H1 2022.

- Approval of Interim and Full Year Audited Financial Statements
- Consideration of top Management and Board appointments
- Renewal of Directors' employment contracts

- Approval of reviewed Board and Board Committees' Charters
- Approval of appointments to subsidiary Boards
- Approval of ICAAP document
- Approval of subsidiary expansion activities
- Approval of Recovery and Resolution Plan
- Approval of credit facilities.
- Review and approval of policies
- Approval of subsidiary expansion activities.

Board Meeting Attendance in H1, 2022

The membership of the Board and attendance at meeting in H1 2022 are set out below.

Type of Meeting	**Annual Board Retreat**	**AGM**	**Board Meetings**		
Date	**February 25-26, 2022**	**28/3/2022**	**27/1/2022**	**5/2/2022**	**27/4/2022**
Ajoritsedere Awosika	P	P	P	P	P
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
Ifeyinwa Osime	P	P	P	P	P
Hassan Usman	P	P	P	P	P
Omosalewa Fajobi	P	P	P	P	P
Herbert Wigwe	P	P	P	P	P
Roosevelt Ogbonna	P	P	P	P	P
Victor Etuokwu	P	P	P	P	P
Gregory Jobome	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P
Adeolu Bajomo	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P
Seyi Kumapayi	P	P	P	P	P
Titilayo Osuntoki	NM	NM	NM	NM	P

Board Committees

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

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

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

Reports of Board Committees

This section highlights the activities of the Board Committees from January to June 2022.

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Board Human Resources and Sustainability Committee

The membership of the Committee and attendance at the meetings in H1 2022 are as set out below:

Name	**11/1/2022**	**5/2/2022**	**8/4/2022**
Paul Usoro	P	P	P
Anthonia Ogunmefun	P	P	P
Iboroma Akpana	P	P	P
Ifeyinwa Osime	P	P	P
Okey Nwuke	P	P	P
Adeniyi Adekoya	P	P	P
Hassan Usman	P	P	P
Herbert Wigwe	P	P	P
Titilayo Osuntoki	NM	NM	NM

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

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

The Committee met 3 times during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Board Governance, Nomination and Remuneration Committee

The membership of the Committee and attendance at the meetings in H1 2022 are as set out below.

Name	**12/01/2022**	**5/2/2022**	**26/3/2022**	**19/4/2022**
Iboroma Akpana	P	P	P	P
Adeniyi Adekoya	P	P	P	P
Anthonia Ogunmefun	P	P	P	P
Paul Usoro	P	P	P	P
Ifeyinwa Osime	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 recommendation of renewal of employment contracts for Executive Directors; Board appointments, including subsidiary Board appointments as well as 2022 training plan and budget for Non-Executive Directors.

The Committee met 4 times during the reporting period.

Mr. Iboroma Akpana is the Chairman of the Committee.

Board Credit Committee

The membership of the Committee and Directors' attendance at meetings in H1 2022 are as set out below.

Name	**11/1/22**	**16/2/22**	**16/3/22**	**8/4/22**	**18/5/22**	**15/6/22**
Okey Nwuke	P	P	P	P	P	P
Iboroma Akpana	P	P	P	P	P	P
Anthonia Ogunmefun	P	P	P	P	RT	RT
Paul Usoro	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	P	P	P

Ifeyinwa Osime	P	P	P	P	P	P
Hassan Usman	P	P	P	P	P	P
Omosalewa Fajobi	P	P	P	P	P	P
Herbert Wigwe	P	P	P	P	LC	LC
Roosevelt Ogbonna	P	P	P	P	P	P
Victor Etuokwu	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P
Hadiza Ambursa	P	P	P	P	P	P
Chizoma Okoli	P	P	P	P	P	P
Seyi Kumapayi	P	P	P	P	P	P
Titilayo Osuntoki	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, a well as review of audit report on the Credit Risk Management function.

The Committee met 6 times during the reporting period.

Dr. Okey Nwuke is the chairman of the Committee.

Board Risk Management Committee

The membership of the Committee and attendance at meetings in H1 2022 are as set out below.

Name	14/01/2022	20/4/2022
Anthonia Ogunmefun	P	P
Paul Usoro	P	P
Adeniyi Adekoya	P	P
Iboroma Akpana	P	P
Okey Nwuke	P	P
Hassan Usman	P	P
Omosalewa Fajobi	P	P
Herbert Wigwe	P	P
Roosevelt Ogbonna	P	P
Gregory Jobome	P	P
Adeolu Bajomo	P	P

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

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

The Committee met 2 times during the reporting period.

Mrs. Anthonia Ogunmefun was the Chairman of the Committee.

Board Audit Committee

The membership of the Committee and attendance at meetings in H1 2022 are as set out below.

Name	13/1/2022	26/01/2022	13/4/2022
Adeniyi Adekoya	P	P	P
Iboroma Akpana	P	P	P

Paul Usoro	P	P	P
Okey Nwuke	P	P	P
Ifeyinwa Osime	P	P	P
Hassan Usman	P	P	P
Omosalewa Fajobi	P	P	P

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

The Bank's Chief Audit Executive and Chief Conduct and 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 2021 Group Full Year Audited Financial Statements. The Committee also considered Whistle blowing reports as well as reports of the Group Internal Auditor and Internal Audit Consultants.

The Committee met 3 times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee.

Board Digital & Information Technology Committee

The membership of the Committee and attendance at meetings in H1 2022 are as set out below.

Name	12/1/2022	19/4/2022
Adeniyi Adekoya	P	P
Ifeyinwa Osime	P	P
Anthonia Ogunmefun	P	P
Iboroma Akpana	P	P
Okey Nwuke	P	P
Hassan Usman	P	P
Omosalewa Fajobi	P	P
Herbert Wigwe	P	P
Roosevelt Ogbonna	P	P
Victor Etuokwu	P	P
Gregory Jobome	P	P
Adeolu Bajomo	P	P

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

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

The Committee met 2 times during the reporting period.

Mr. Adeniyi Adekoya is the Chairman of the Committee.

Board Technical Committee on Retail Expansion

The membership of the Committee and attendance at meetings H1 2022 are as set out below.

Name	27/2/ 2022	26/3/ 2022	31/3/ 2022	3/4/ 2022	20/4/ 2022	4/5/ 2022	20/5/ 2022	8/6/ 2022	30/6/ 2022
Paul Usoro	P	P	P	P	P	P	P	P	P
Okey Nwuke	P	P	P	P	P	P	P	P	P
Adeniyi Adekoya	P	P	P	A	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
Herbert Wigwe	P	P	P	P	P	P	A	P	P

Roosevelt Ogbonna	P	P	A	P	P	P	P	P	P
Gregory Jobome	P	P	P	P	P	P	P	A	P
Seyi Kumapayi	P	P	P	P	P	P	P	P	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 9 times during the reporting period.

Mr. Paul Usoro is the Chairman of the Committee.

Key

P	Present
A	Absent
RT	Retired
LC	Left Committee
NM	Not a Member

DIRECTORS' INTEREST IN CONTRACTS

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

Executive Committee

The Executive Committee (EXCO) is made up of the Managing Director as Chairman, the Deputy Managing Directors, 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 daily 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 Coronation Registrars Limited.

Record of Attendance at Statutory Audit Committee Meetings in H1, 2022

Name	26-01-2022	13-04-2022
Henry Omatsola Aragho Chairman Shareholder representative	P	P
Idaere Gogo Ogan Member Shareholder representative	P	P
Emmanuel O. Eleoramo Member Shareholder representative	P	P
Adeniyi Adekoya Member Board representative	P	P
Okey Nwuke Member Board representative	P	P

Tenure of the Statutory Audit Committee

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

Role and Focus of the Statutory Audit Committee

The duties of the Statutory Audit Committee are as enshrined in Section 404 (3) and (4) of CAMA 2020. 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.

2022 Audit Fees

The audit fees paid by the Bank to PricewaterhouseCoopers, external auditors for the 2022 statutory audit was 323Mn while fees for non-audit services rendered to the Bank during the review period amounted to 73Mn

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 H1, 2022 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 nine and half years.

Succession planning

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

Code of Ethics

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

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

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

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

Dealing in Company Securities

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

Remuneration Policy

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

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

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

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

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

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

Whistle-Blowing Procedure

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

Telephone
Internal: +234-1-2712065

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

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

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

9MOBILE:
0809-993-6366

GLO:
0705-889-0140

E-Mail

Internal: whistleblower@accessbankplc.com

External: kpmgethicsline@ng.kpmg.com

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

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

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

Customer Complaints and Resolution

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

Highlights of the Bank's Clawback Policy

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

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

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

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

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

Highlights of Sustainability Policies

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

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

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

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

Statement of Compliance

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

1. The Code of Corporate Governance for Public Companies in Nigeria as Issued by the Securities and Exchange Commission
2. The Code of Corporate Governance for Bank and Discount Houses in Nigeria and the Guidelines for Whistle Blowing in the Nigerian Banking Industry
3. The Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria
4. The Rules and Regulations of the National Association of Securities Dealers OTC Exchange

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

Ajoritsedere Awosika
Chairman

Sunday Ekwochi
Company Secretary

Statement of Directors' Responsibilities in relation to the Consolidated and separate Financial Statements for the period ended 30 June 2022

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the directors to prepare financial statements for each financial period that gives a true and fair view of the state of financial affairs of the bank and Group at the end of the period 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 period. 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:

Roosevelt Ogbonna
Group Managing Director
FRC/2017/ICAN/00000016638

Seyi Kumapayi
Executive Director
FRC/2013/ICAN/00000000911

Report of the statutory audit committee

To the members of Access Bank Plc:

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the period ended 30 June 2022 as follows:

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

We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the period ended 30 June 2022 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 N735,534,445 (December 2021: N268,207,206) was outstanding as at 30 June 2022 and was performing as at 30 June 2022

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
26 July 2022

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	Dr. Okey Nwuke	Director	Member

In attendance:
Sunday Ekwochi – Company Secretary

Statement of Corporate Responsibility for the Consolidated and separate Financial Statements for the period ended 30 June 2022

In line with the provision of S.405 of CAMA 2020 we have reviewed the audited financial statements of the Group for the period ended 30 June, 2022 and based on our knowledge confirm as follows;

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

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

III. We are responsible for maintaining internal controls

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

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

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

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

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

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

27 July, 2022

Taiwo Fowowe
Chief Financial Officer
FRC/2021/001/00000024694

Roosevelt Ogbonna
Group Managing Director
FRC/2017/ICAN/00000016638

ENTERPRISE-WIDE RISK MANAGEMENT

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.

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 defense 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. 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
- 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
    - 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 and subsidiary 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 Risk function 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.

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 and the Group as a whole.

RISK MANAGEMENT OBJECTIVES

The broad risk management objectives of the Bank are:

- Achieve leading financial stability indicator metrics such as asset quality, capital, liquidity ratios
- To enhance credit ratings, as well as depositor, analyst, investor and regulator perception
- To protect against unforeseen losses and ensure stability of earnings
- Minimise adverse reputation risk issues as well as regulatory compliance issues
- To identify and manage existing and new risks in a planned and coordinated manner with minimal disruption and cost
- To maximize earnings potential and opportunities
- To maximize share price and stakeholder protection
- 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

Although the risk management framework covers the enterprise-wide risk and the management, specific risk frameworks exist for the individual risk categories.

THE BOARD AND MANAGEMENT COMMITTEES

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

In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board has seven standing committees: The Board Risk Management Committee, the Board Audit Committee, the Board Remuneration Committee, the Board Governance and Nomination Committee, the Board Credit 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-wide 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) among others.

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 interim consolidated and separate financial statements

Our opinion

In our opinion, the interim consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Access Bank Plc ("the bank") and its subsidiaries (together "the group") as at 30 June 2022, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the six months period then ended in accordance with IAS 34 'Interim Financial Reporting' and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

What we have audited

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

- the consolidated and separate statements of comprehensive income for the six months period ended 30 June 2022;
- the consolidated and separate statements of financial position as at 30 June 2022;
- the consolidated and separate statements of changes in equity for the six months period then ended;
- the consolidated and separate statements of cash flows for the six months period then ended; and
- the notes to the interim consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
Impairment of goodwill (refer to notes 3.13(a), 3.14, 4.0(ii) and 29) The carrying value of goodwill as at 30 June 2022 is N 12.75 billion and is attributable to the group's acquisitions in Nigeria (N 4.55 billion), Kenya (N 6.55 billion), Rwanda (N 0.68 billion) and Botswana (N 0.97billion). We identified the impairment assessment of goodwill arising from the acquisitions 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 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 interim consolidated and separate financial statements.	Our procedures in relation to the assessment of the carrying value of the goodwill included: • assessing the reasonableness of the valuation methodology adopted by the directors; • challenging the reasonableness of key assumptions around growth rate and discount rate based on our knowledge of the business and industry; and • reconciling input data used in the cash flow forecasts to supporting evidence, such as prior and current year consolidated and separate financial statements. • independently determined the recoverable amount of goodwill and compared to the carrying amount in the interim 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 interim consolidated and separate financial statements to the requirements of the accounting standards.
Impairment on loans and advances to customers – N117.75 billion (refer to notes 3.9, 4.0(i) 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. IFRS 9 'Financial Instruments' requires significant judgement in measuring expected credit loss	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 against our knowledge of the industry; • applied a risk-based target testing approach in selecting a sample of credit facilities for detailed

(ECL). Areas where significant judgement is exercised include: • the definition of default adopted by the Bank; • determining the criteria for assessing significant increase in credit risk (SICR); • determination of the key inputs used in determining the lifetime exposure at default (EAD); • methodologies adopted by the Group 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 (crude oil price, inflation rate and interest rate) and the determination of multiple economic scenarios used in the ECL model. This is considered a key audit matter in the interim consolidated and separate financial statements.	reviews of related customer files and account statements. With the assistance of our credit experts, we: • tested the appropriateness of the exposure at default by checking whether relevant facility specific information have been incorporated in determining the EAD term structure; • checked the reasonableness of the methodology used in modelling PD to assess for consistency with acceptable modelling techniques; • evaluated the reasonableness of the Loss Given Default (LGD) against the methodology applied in estimating recoveries on unsecured exposures. We also assessed the appropriateness of LGD assumptions and the accuracy of the final LGD; and • checked the reasonableness of forward-looking information (crude oil price, inflation rate and interest rate) 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 the Corporate Information, Directors' report, Customers' complaints and feedback, Reports to the CBN on Fraud and Forgeries, Corporate Governance Report for half year ended June 30, 2022, Statement of Directors' responsibilities in relation to the consolidated and separate financial statements for the period ended 30 June 2022, Report of the Statutory Audit Committee, Statement of Corporate Responsibility for the consolidated and separate financial statements for the period ended 30 June 2022, Enterprise-Wide Risk Management, Value Added Statement and Five-year Financial Summary, but does not include the interim consolidated and separate financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

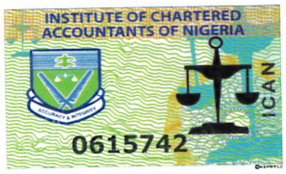
i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

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

v) as disclosed in Note 41 to the interim consolidated and separate financial statements, the bank paid penalties in respect of contraventions of relevant circulars issued by the Central Bank of Nigeria during the six months period ended 30 June 2022.



Chidi Ojechi

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

14 September 2022

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

Consolidated and separate statement of comprehensive income

In millions of Naira	***Notes***	**Group June 2022**	***Restated Group June 2021**	**Bank June 2022**	**Bank June 2021**
Interest income calculated using effective interest rate	8	342,529	279,593	264,580	221,795
Interest income on financial assets at FVTPL	8	29,775	40,091	18,970	32,011
Interest expense	8	(174,802)	(119,666)	(148,475)	(100,883)
Net interest income		197,502	200,018	135,075	152,923
Net impairment charge on financial assets	9	(36,861)	(28,670)	(32,989)	(22,856)
Net interest income after impairment charges		160,641	171,348	102,086	130,067
Fee and commission income	10 (a)	81,100	73,446	59,378	58,781
Fee and commission expense	10 (b)	(25,663)	(14,988)	(22,672)	(14,268)
Net fee and commission income		55,437	58,458	36,706	44,513
Net gains/(loss) on financial instruments at fair value	11a,b	64,136	(23,255)	63,266	(28,204)
Net foreign exchange gains	12 a	52,836	68,195	44,292	64,566
Net gain/(loss) on fair value hedge (Hedging ineffectiveness)	12 b	11,284	(4,221)	11,284	(4,221)
Other operating income	13	10,029	13,803	7,121	9,012
Bargain purchase from Acquisition	44	-	2,640	-	-
Personnel expenses	14	(57,443)	(43,511)	(36,154)	(27,465)
Depreciation	28	(14,928)	(14,030)	(11,407)	(11,137)
Amortization and impairment	29	(6,747)	(6,022)	(5,080)	(5,054)
Other operating expenses	15	(175,271)	(126,040)	(153,703)	(112,728)
Share of profit of investment in Associate	27 (a)	118	8	-	-
Profit before tax		100,094	97,377	58,407	59,345
Income tax	16	(9,284)	(10,560)	2,661	(1,206)
Profit for the period from continuing operations		**90,810**	**86,817**	**61,068**	**58,139**
Discontinued operations					
Gain from Discontinued operations		148	120	-	-
Profit for the period		**90,958**	**86,937**	**61,068**	**58,139**
Other comprehensive loss (OCI) net of income tax :					
Items that will not be subsequently reclassified to income statement:					
Actuarial (loss) on retirement benefit obligations		(1,276)	-	(1,276)	-
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		(31,669)	15,753	-	-
Changes in fair value of FVOCI debt financial instruments		(7,559)	(59,085)	(2,810)	(67,338)
Changes in allowance on FVOCI debt financial instruments		396	54	422	(74)
Other comprehensive (loss), net of related tax effects		(40,104)	(43,272)	(3,664)	(67,414)
Total comprehensive income for the period		**50,706**	**43,545**	**57,404**	**(9,275)**
Profit attributable to:					
Owners of the bank		89,363	85,982	61,068	58,139
Non-controlling interest	38	1,447	835	-	-
Profit for the period		**90,810**	**86,817**	**61,068**	**58,139**
Total comprehensive income attributable to:					
Owners of the bank		56,558	39,877	57,404	(9,275)
Non-controlling interest	38	(5,852)	3,668	-	-
Total comprehensive income for the period		**50,706**	**43,545**	**57,404**	**(9,275)**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	258	248	172	164
Diluted (kobo)	17	251	242	172	164

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

** See Note 46 b - Restatement of prior period financial information*

Consolidated and separate statement of financial position
As at 30 June 2022

In millions of Naira	*Notes*	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Assets					
Cash and balances with banks	18	1,235,033	1,487,665	894,524	1,068,977
Investment under management	19	36,155	34,942	36,155	34,942
Non pledged trading assets	20	661,385	892,508	632,781	803,806
Derivative financial assets	21	118,936	171,332	106,425	161,439
Loans and advances to banks	22	307,240	284,548	233,004	322,259
Loans and advances to customers	23	4,619,556	4,161,363	3,762,322	3,256,073
Pledged assets	24	944,273	344,537	944,273	344,537
Investment securities	25	2,763,977	2,270,338	1,888,329	1,553,458
Investment properties	31a	217	217	217	217
Restricted deposit and other assets	26	2,128,820	1,707,289	2,005,159	1,601,380
Investment in associates	27a	3,645	2,641	3,434	2,548
Investment in subsidiaries	27b	-	-	249,387	215,775
Property and equipment	28	261,174	247,734	213,654	194,071
Intangible assets	29	66,680	70,331	54,772	58,732
Deferred tax assets	30	16,027	13,781	6,370	-
		13,163,118	11,689,226	11,030,807	9,618,204
Asset classified as held for sale	31b	39,106	42,737	34,163	42,547
Total assets		**13,202,224**	**11,731,963**	**11,064,970**	**9,660,751**
Liabilities					
Deposits from financial institutions	32	2,075,416	1,696,521	1,725,708	1,422,707
Deposits from customers	33	7,839,374	6,954,828	6,419,891	5,517,069
Derivative financial liabilities	21	15,331	13,953	12,425	9,943
Current tax liabilities	16	8,716	4,643	7,432	3,132
Other liabilities	34	633,733	560,705	557,439	495,151
Deferred tax liabilities	30	1,792	11,652	-	4,374
Debt securities issued	35	284,354	264,495	280,758	260,644
Interest-bearing borrowings	36	1,264,203	1,171,260	1,153,572	1,072,435
Retirement benefit obligation	37	3,701	3,877	3,677	3,846
		12,126,620	10,681,934	10,160,902	8,789,301
Liabilities classified as held for sale	31a	77	-	-	-
Total liabilities		**12,126,697**	**10,681,934**	**10,160,902**	**8,789,301**
Equity					
Share capital and share premium	38	251,811	251,811	251,811	251,811
Additional Tier 1 Capital	38	206,355	206,355	206,355	206,355
Retained earnings		404,529	397,273	280,208	304,778
Other components of equity	38	195,206	171,113	165,693	108,506
Total equity attributable to owners of the Bank		**1,057,901**	**1,026,552**	**904,067**	**871,450**
Non controlling interest	38	17,625	23,477	-	-
Total equity		**1,075,526**	**1,050,029**	**904,067**	**871,450**
Total liabilities and equity		**13,202,224**	**11,731,963**	**11,064,970**	**9,660,751**

Signed on behalf of the Board of Directors on 27 July, 2022 by:

MANAGING DIRECTOR
Roosevelt Ogbonna
FRC/2017/ICAN/00000016638

EXECUTIVE DIRECTOR
Oluseyi Kumapayi
FRC/2013/ICAN/00000000911

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

Consolidated and separate statement of changes in equity

In millions of Naira
Group

	Attributable to owners of the Bank													
	Share capital	Share premium	Additional Tier 1 Capital	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January, 2022	17,773	234,039	206,355	6,714	136,728	3,217	(7,513)	3,489	(9,713)	38,191	397,273	**1,026,543**	23,477	**1,050,020**
Total comprehensive income for the period:														
Profit for the period	-	-	-	-	-	-	-	-	-	-	89,511	89,511	1,447	90,958
Other comprehensive income/(loss), net of tax												-		-
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	-	(29,593)	-	(29,593)	(2,076)	(31,669)
Actuarial gain on retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	(1,276)	(1,276)	-	(1,276)
Changes in fair value of FVOCI debt financial instruments	-	-	-	-	-	-	-	-	(2,336)	-	-	(2,336)	(5,223)	(7,559)
Changes in allowance on FVOCI debt financial instruments	-	-	-	-	-	-	-	-	396	-	-	396	-	396
Total other comprehensive (loss)/ income	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**(1,941)**	**(29,592)**	**(1,276)**	**(32,808)**	**(7,300)**	**(40,117)**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,941)**	**(29,592)**	**88,234**	**56,703**	**(5,852)**	**50,850**
Transactions with equity holders, recorded directly in equity:														
Additional Tier 1 (AT1) Capital issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuing Cost of additional Tier 1 Capital	-	-		-	-	-	-	-	-	-	-	-	-	-
Transfers during the period	-	-	-	47,183	8,912	-	-	-	-	-	(56,095)	-	-	-
Additional shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scheme shares (See Note 14)	-	-	-	-	-	785	(238)	-	-	-	-	543	-	543
Vested shares	-	-	-	-	-	(1,020)	-	-	-	-	-	(1,020)	-	(1,020)
Decrease in non-controlling interest	-	-	-		-	-	-	-				-	-	
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	(24,882)	(24,882)	-	(24,882)
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**47,183**	**8,912**	**(234)**	**(238)**	**-**	**-**	**-**	**(80,977)**	**(25,359)**	**-**	**(25,362)**
Balance at 30 June 2022	**17,773**	**234,039**	**206,355**	**53,897**	**145,641**	**2,983**	**(7,751)**	**3,489**	**(11,654)**	**8,602**	**404,529**	**1,057,886**	**17,625**	**1,075,511**

Consolidated statement of changes in equity

In millions of Naira
Group

	Attributable to owners of the Bank													
	Share capital	Share premium	ldditional Tier 1 Capital	Regulatory risk reserve	Other regulatory reserves	Share scheme reserve	Treasury Shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January 2021	**17,773**	**234,039**	**-**	**46,426**	**115,575**	**877**	**(5,113)**	**3,489**	**60,107**	**18,132**	**252,397**	**743,702**	**7,339**	**751,039**
Total comprehensive income for the period:														
Profit for the period	-	-	-	-	-	-	-	-	-	-	86,100	86,100	835	86,935
Other comprehensive income, net of tax									-	-	-		-	-
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	-	16,307	-	16,307	(554)	15,753
Realised foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial loss on retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of FVOCI debt financial instruments	-	-	-	-	-	-	-	-	(62,472)	-	-	(62,472)	3,387	(59,085)
Changes in allowance on FVOCI debt financial instruments	-	-	-	-	-	-	-	-	54	-	-	54	-	54
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	-	(62,418)	16,307	-	(46,111)	2,833	(43,278)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(62,418)**	**16,307**	**86,100**	**39,989**	**3,668**	**43,657**
Transactions with equity holders, recorded directly in equity:														
Additional Tier 1 (AT1) Capital issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuing Cost of additional Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers during the period	-	-	-	(25,814)	13,717	-	-	-	-	-	12,097	-	-	-
Additional shares	-	-	-	-	-	904	-	-	-	-	-	904	-	904
Scheme shares (See Note 14)	-	-	-	-	-	715	(1,210)	-	-	-	-	(494)	-	(494)
Vested shares	-	-	-	-	-	(126)	-	-	-	-	-	(126)	-	(126)
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	(19,550)	(19,550)	-	(19,550)
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**(25,814)**	**13,717**	**1,493**	**(1,210)**	**-**	**-**	**-**	**(7,453)**	**(19,266)**	**-**	**(19,266)**
Balance at 30 June 2021	**17,773**	**234,039**	**-**	**20,612**	**129,292**	**2,371**	**(6,322)**	**3,489**	**(2,310)**	**34,438**	**331,044**	**764,425**	**11,007**	**775,430**

Statement of changes in equity
In millions of Naira

Bank	Share capital	Share premium	Additional Tier 1 Capital	Regulatory risk reserve	Other regulatory reserve	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2022	17,773	234,039	206,355	1,118	111,767	2,190	3,489	(10,058)	304,778	**871,450**
Total comprehensive income for the period:										
Profit for the period	-	-		-	-	-	-	-	61,069	61,069
Other comprehensive income, net of tax										
Actuarial gain on retirement benefit obligations (net of tax)	-	-		-	-	-	-	-	(1,276)	(1,276)
Changes in fair value of FVOCI debt financial instruments	-	-		-	-	-	-	(2,810)	-	(2,810)
Changes in allowance on FVOCI debt financial instruments					-			422	-	422
Total other comprehensive (loss)	-	-	-	-	-	-	-	**(2,388)**	**(1,276)**	**(3,664)**
Total comprehensive (loss)	-	-	-	-	-	-	-	**(2,388)**	**59,794**	**57,405**
Transactions with equity holders, recorded directly in equity:										
Transfers for the period	-	-	-	50,320	9,160		-	-	(59,480)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	(24,882)	(24,882)
Scheme shares (See Note 14)	-	-	-	-	-	657	-	-	-	657
Vested shares	-	-		-	-	(563)	-	-	-	(563)
Total contributions by and distributions to equity holders	-	-	-	**50,320**	**9,160**	**94**	-	-	**(84,362)**	**(24,788)**
Balance at 30 June 2022	**17,773**	**234,039**	**206,355**	**51,438**	**120,928**	**2,284**	**3,489**	**(12,446)**	**280,208**	**904,068**

In millions of Naira

Bank	Share capital	Share premium	Additional Tier 1 Capital	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2021	17,773	234,039	-	36,181	95,068	877	3,489	59,574	206,896	**653,896**
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	-	-	58,142	58,142
Other comprehensive income, net of tax										
Actuarial loss on retirement benefit obligations (net of tax)	-	-	-	-	-	-	-	-	-	-
Changes in fair value of FVOCI debt financial instruments	-	-	-	-	-	-	-	(67,338)	-	(67,338)
Changes in allowance on FVOCI debt financial instruments					-			(74)		(74)
Total other comprehensive income	-	-	-	-	-	-	-	**(67,412)**	-	**(67,412)**
Total comprehensive income	-	-	-	-	-	-	-	**(67,412)**	**58,143**	**(9,270)**
Transactions with equity holders, recorded directly in equity:										
Transfers for the period	-	-	-	(21,209)	8,721	-	-	-	12,488	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	(19,550)	(19,550)
Scheme shares (See Note 14)	-	-	-	-	-	589	-	-	-	589
Total contributions by and distributions to equity holders	-	-	-	**(21,209)**	**8,721**	**589**	-	-	**(7,061)**	**(18,961)**
Balance at 30 June 2021	**17,773**	**234,039**	-	**14,971**	**103,789**	**1,467**	**3,489**	**(7,838)**	**257,978**	**625,665**

Consolidated statement of cash flows

In millions of Naira	Note	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Cash flows from operating activities					
Profit before income tax		100,094	97,496	58,407	59,348
Adjustments for:					
Depreciation	28	14,928	14,062	11,407	11,137
Amortisation	29	6,747	6,022	5,080	5,054
Gain/(Loss) on disposal of property and equipment	13	(546)	80	(110)	104
Gain on lease modification	28	(103)	164	(103)	164
Fair value (loss)/ gain on financial assets at FVPL	11	1,292	(13,106)	1,413	(14,297)
Gain on disposal of investment securities	11	(108,527)	(43,660)	(107,778)	(37,519)
Impairment on financial assets	9	36,861	28,669	32,989	22,856
Additional gratuity provision	14	5,008	42	5,008	377
Restricted share performance plan expense	14	785	715	657	589
Write-off of property and equipment and intangible assets	28	246	93	140	89
Share of profit from associate	27	(118)	(8)	-	-
Bargain purchase from acquisition	44	-	(2,640)	-	-
Net interest income	8	(197,503)	(200,068)	(135,073)	(152,923)
Change arising from goodwill reassessment	29	(83)	-	-	-
Foreign exchange (loss)/gain on revaluation	12	(7,752)	12,092	6,053	15,721
Loss on derecognition of ROU assets	28	6,145	356	-	-
Fair value of derivative financial instruments excluding hedged portion	11	43,099	79,982	43,099	78,147
Profit from discontinued operations	46	148			
Dividend income	13	(3,290)	(2,626)	(3,290)	(2,626)
Net gain/(loss) on fair value hedge (Hedging ineffectiveness)	12(b)	(11,284)	4,222	(11,284)	4,222
(Loss)/Gain on disposal of investment property	13		-		-
		(113,852)	(18,117)	(93,382)	(9,553)
Changes in operating assets					
Changes in non-pledged trading assets		199,089	61,193	152,661	57,073
Changes in pledged assets		(678,995)	(202,090)	(678,996)	(202,104)
Changes in other restricted deposits with central banks		(191,247)	(76,440)	(191,202)	(74,253)
Changes in loans and advances to banks and customers		(474,333)	(265,456)	(402,001)	(271,021)
Changes in restricted deposits and other assets		(425,589)	(110,175)	(407,835)	(107,351)
Changes in operating liabilities					
Changes in deposits from banks		380,322	1,082,637	304,157	1,032,941
Changes in deposits from customers		891,008	213,408	907,740	37,728
Changes in other liabilities		71,533	96,635	57,064	85,627
		(342,064)	781,592	(351,789)	549,090
Interest paid on deposits to banks and customers		(147,704)	(91,327)	(121,875)	(62,661)
Interest received on loans and advances to bank and customers		209,828	152,831	155,877	118,290
Interest received on non-pledged trading assets		32,034	40,737	18,364	31,822
		(247,907)	883,831	(299,419)	636,539
Payment out of retirement benefit obligation	37(i)	(7,067)	-	(7,067)	-
Income tax paid	16	(11,223)	(9,096)	(1,368)	(1,029)
Net cash (used in)/generated from operating activities		**(266,197)**	**874,735**	**(307,854)**	**635,510**
Cash flows from investing activities					
Net acquisition of investment securities		(1,000,075)	(840,989)	(697,575)	(703,587)
Interest received on investment securities		88,604	96,466	62,209	76,847
Additional investment to fund managers		216	(1,064)	216	(1,064)
Dividend received	13	3,290	2,626	3,290	2,626
Acquisition of property and equipment	28	(36,076)	(22,128)	(30,685)	(14,253)
Proceeds from the sale of property and equipment		1,888	1,253	1,384	653
Acquisition of intangible assets	29	(3,306)	(2,760)	(1,128)	(713)
Proceeds from disposal of asset held for sale		8,384	35	8,384	35
Proceeds from matured investment securities		663,493	351,137	514,254	312,743
Additional investment in associate	27 a	(886)	(1,972)	(886)	(1,972)
Additional investment in subsidiaries		-	-	(33,459)	(11,412)
Net cash acquired on business combination	44	-	46,931	-	-
Net cash (used in)/ generated from investing activities		**(274,470)**	**(370,461)**	**(173,997)**	**(340,093)**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(32,082)	(27,474)	(29,709)	(25,905)
Proceeds from interest bearing borrowings	36	201,199	96,304	160,028	69,129
Repayment of interest bearing borrowings	36	(104,073)	(68,670)	(77,576)	(56,527)
Proceeds from debt securities issued	35	21,065	5,305	21,065	-
Lease payments		(22,141)	(837)	(2,036)	(197)
Purchase of own shares		(715)	(801)	(715)	(801)
Dividends paid to owners		(24,882)	(19,550)	(24,882)	(19,550)
Net cash generated from financing activities		**38,371**	**(15,723)**	**46,177**	**(33,849)**
Net increase/(decrease) in cash and cash equivalents		(502,296)	488,551	(435,674)	261,568
Cash and cash equivalents at beginning of period	40	1,528,923	837,847	1,113,369	704,478
Net increase/ (decrease) in cash and cash equivalents		(502,296)	488,551	(435,674)	261,568
Effect of exchange rate fluctuations on cash held		(19,429)	14,980	(7,782)	11,470
Cash and cash equivalents at end of period	40	1,007,198	1,341,378	669,913	977,516

1.0 General information

Access Bank Plc ("the Bank") is a bank domiciled in Nigeria. The address of the Bank's registered office is No 14/15, Prince Alaba Oniru Road, Oniru, Lagos (formerly Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos). The consolidated and separate financial statements of the Bank for the period ended 30 June 2022 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking. The Bank is listed on National Association of Securities Dealers (NASD).

These financial statements were approved and authorised for issue by the Board of Directors on 27 July 2022. 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 periods 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 and functional 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 carrying amount and fair value less costs to sell.

- share based payment at fair value or an approximation of fair value allowed by the relevant standard.
- Investment properties are measured at fair value.

(c) Use of estimates and judgments

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

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

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

3.2 Changes in accounting policy and disclosures

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

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

(a)Forthcoming requirements

As at 30 June 2022, the following standards and interpretations have been issued but were not mandatory for annual reporting periods ending on 30 June 2022.

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

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

(iii) Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16 Effective date is 1 January 2022

3.3 Basis of consolidation

(a) Subsidiaries

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

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

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

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

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

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.
Subsidiaries are measured at cost less impairment in the separate financial statement.

(b) Business combinations

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

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

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; Plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less

- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a gain from a bargain purchase is recognised immediately in statement of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.

Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.
Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

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

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

(c) Loss of control

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

(d) Disposal of subsidiaries

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

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

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

(f) Transactions eliminated on consolidation
Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

3.4 Segment reporting

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

3.5 Foreign currency translation

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

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

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

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

3.6 Operating income

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

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

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

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

(a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the consolidated and separate income statement using the effective interest method.
The Group calculates interest income by applying the Effective interest rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

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

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

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

- interest on fair value through other comprehensive income investment securities calculated on an effective interest basis.

Interest income on fair value through profit or loss instruments is recognised using the contractual interest rate on investment securities.

(b) Fees and commission income and expense

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

Fee and commission presented in the income statement includes:
- Credit related fees: This includes advisory, penal and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Bank recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate. The penal fee on default also forms part of the items warehoused in this line.When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment year.

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

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

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

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

(c) Net loss/gains on financial instruments at fair value

Net loss/gains on financial instruments comprise of the following:

- Net gains/losses on financial instruments classified as fair value through profit or loss: This includes the gains and losses arising both on sale of trading instruments and from changes in fair value of derivatives instruments.

- Net gains on financial instruments held as Fair value through other comprehensive income: This relates to gains arising from the disposal of financial instruments held as Fair value through other comprehensive income as well as fair value changes reclassified from other comprehensive income upon disposal of debt instruments carried at fair value through other comprehensive income

(d) Net Foreign exchange gain and losses

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

(e) Other operating income

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

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

3.7 Income tax

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

(a) Current tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year

(b) Minimum Tax

Based on the provisions of The Finance Act, minimum tax will be applicable at 0.25% of gross turnover less franked investment income. This is shown in note 16

(c) Deferred tax

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

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

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

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.8 Financial assets and liabilities

Investments and other financial assets

Recognition and derecognition

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

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset.

(a) Financial assets

i *Classification*

The group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured subsequently at amortised cost.

The classification for debt financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Where the fair value is different from the transaction price, the resulting gain or loss is recognized in trading gains or losses on financial instruments only when the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. level 1 input) or based on a valuation technique that uses only data from observable markets"

ii ***Debt instruments***

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

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

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

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

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.

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

iii ***Equity instruments***

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

iv Business model assessment

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

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

v The SPPI test

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

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

(b) Financial Liabilities

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

Financial liabilities that are classified at fair value through profit or loss include derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains and losses attributable to changes in Group's credit risk are recognised in other comprehensive income and the fair value of the liability are recognised in profit or loss.
If recognition of own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, all fair value gains/losses are recognised in profit or loss.

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

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

(c) Classification of financial assets

[i] Fair value through profit or loss

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

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

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

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

- The asset does not meet the solely principal and interest on the principal amount outstanding (SPPI) test
- The financial asset is held within a business model whose objective is achieved by selling financial assets.

The Group may designate certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. The fair value option is only applied when the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

[ii] Amortized cost

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

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

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

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

[iv] Fair value through other comprehensive income

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

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

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

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

(d) Classification of financial liabilities

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

[i] Financial liabilities at amortised cost

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

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

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

Deposits and debt securities issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.
On this statement of financial position, other financial liabilities carried at amortised cost include deposit from banks, deposit from customers, interest bearing borrowings, debt securities issued and other liabilities.

[ii] Financial liabilities at fair value

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

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 as fair value through OCI and accounting policy (3.9) that relates to measurement through FVOCI applies

(e) Measurement of financial asset and liabilities

[i] Amortised cost measurement

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

[ii] Fair value measurement

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

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

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

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

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

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

Reclassification of financial assets and liabilities

(f) Reclassification of financial assets

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

The following are not changes in business model;

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

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

Reclassification date
The first day of the first reporting 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 terms and conditions have been renegotiated substantially if the discounted cash flows under the new terms are at least 10 per cent different from the discounted remaining cash flows of the original terms. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated Credit Impaired (POCI).
When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:
• Change in currency of the loan
• Introduction of an equity feature
• Change in counterparty
• If the modification is such that the instrument would no longer meet the SPPI criterion

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

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

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

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

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

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

(h) Offsetting

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

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

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

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

(i) Measurement of specific financial assets

(i) Cash and balances with banks

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

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

(ii) Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle the outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement.

When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

(iii) Derivative financial instruments

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

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

(iv) Pledged assets

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

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

[v] Investment under management

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

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

The investments are carried at amortized cost.

3.9 Impairment of financial assets

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

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

Staging Assessment

The Group has established a policy to perform an assessment, at the end of each reporting 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 , as described below. All POCI (Purchased or originated credit impaired) financial instruments are categorized under stage 3.

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

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

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

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

Change in credit quality since initial

Stage 1	Stage 2	Stage 3
(Initial Recognition)	(Initial Recognition)	(Credit-impaired assets)
12-months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Measuring the Expected Credit Loss

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

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

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

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

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

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

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

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

When estimating the ECLs, the Group considers three scenarios (optimistic, best-estimate and downturn) and each of these is associated with different PDs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure (i.e. be paid in full or no longer credit-impaired) and the value of collateral or the amount that might be received for selling the asset.
The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

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

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

The group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the group's previous accounting policy.

The mechanics of the ECL method are summarised below:

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

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

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

• POCI: Purchase or Originated Credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Group only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit adjusted EIR.

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

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

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

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

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

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

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

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

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

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

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

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

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

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
• The borrower is in long-term forbearance
• The borrower is deceased
• The borrower is insolvent
• The borrower is in breach of financial covenant(s)
• An active market for that financial asset has disappeared because of financial difficulties
• Concessions have been made by the lender relating to the borrower's financial difficulty
• It is becoming probable that the borrower will enter bankruptcy
• Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

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

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

- Crude oil prices,
- Exchange rates (USD/NGN), and
- GDP growth rate

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

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

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

Historical data on macro-economic indicators from a host of reliable sources, including the International Monetary Fund was gathered. As a proxy for default rates, the Group provided their non-performing loans as a percentage of gross loans ("NPL%") metric. The time series data extended from the first quarter of 2012 to the second quarter of 2020. Quarterly data was used to increase granularity.

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

The model produced best-estimate, optimistic and downturn forecasts of the selected macro-economic indicators, based on trends in the indicators and macro-economic commentary. This was done through stressing the indicator GDP, which in turn stressed the other indicators based on their assumed historical correlation with GDP. The regression formula obtained was applied to the forecasted macro-economic indicators in order to predict the target variable.

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

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

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

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

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

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

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

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

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

3.10 Investment properties

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

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

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

3.11 Property and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent costs

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

(c) Depreciation

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

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

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

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

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

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

(d) De-recognition

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

3.12 Leases

Group as the Lessee:
The Bank leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options as described in the "extension and termination options header" below. The lease 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 incremental borrowing rate applied to the lease liabilities as at 30 June 2022 was 15.31%

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.

Right of use assets

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

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

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

Short-term leases and leases of low value

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

Extension and termination options

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

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

The amendment is effective for annual reporting years 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 year 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 year 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 2022 financial year

- **Critical judgements**

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

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

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

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 N309.19 million.

A group company is the lessor;

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

3.13 Intangible assets

(a) Goodwill

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

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

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

(b) Software

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

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

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of software is four and half years (4.5). Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(c) Brand, Customer Relationships and Core Deposits

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

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) Additional Tier 1 Capital

This relates to the Bank's issued U.S.$500,000,000 Perpetual Fixed Rate Resettable Non-Callable prior to 5.25 years Additional Tier 1 Subordinated Notes. See note 38(c) for more details

(c) 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.

(d) 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.

(e) 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.

(f) Regulatory risk reserve
In compliance with the Prudential Guidelines for Licensed Banks, the Group assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing losses in risk assets. Assets are classified as performing or non- performing. Non performing assets are further classed as substandard, doubtful or lost with attendant provisions. There are no restrictions to the distribution of these reserves

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

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

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

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

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

(g) 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.

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

(i) 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.

(j) 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 year. 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 year. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Bank designates certain derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

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

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

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

Hedge effectiveness

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

Derivatives that do not qualify for hedge accounting

3.23

Associates

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

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

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

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

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

4.0 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied
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 scenario (optimistic, best-estimate and downturn ECLs) and probability-weighted to arrive at a single ECL impairment for each account. The likelihood of the best-estimate, downturn and optimistic scenarios were assumed to be 34.67%, 30.00% and 35.33% respectively.

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

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 Group 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 Group 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 Group.

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

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

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

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

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

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

Loans and Advances To Customers

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

On balance Sheet Exposure

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

The table below outlines the total ECL for wholesale portfolios as at 30 June 2022, if each of the key assumptions used change by plus or minus 10%. The responsiveness of the ECL estimates to variation in macroeconomic variables have been presented below while putting in perspective, interdependencies between the various economic inputs. An increase in Oil Price by 10% resulting in GDP increase and decrease in both inflation rate and exchange rate will lead to an improvement in asset quality by 0.13% and a reduction in impairment by 2.81%. While a drop in Oil Price by 10% leads to a drop in GDP and an increase in inflation and Exchange rate, this will result in a deterioration in asset quality by 0.29% and an increase in impairment by 2.76%.

	-10%	**+10%**
P & L Impact of change in Macroeconomic variables	(6,802)	6,680

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

The table below outlines the total ECL for wholesale off balance sheet exposures as at 30 June 2022, 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	(397)	400

If the PDs and LGDs were increased by 2%, impairment charge would have further increased by N2.1BN but if the PDs and LGDs were decreased by 2%, there would have been a write back of impairment of N2.2BN.

	Group	**Group**	**Bank**	**Bank**
	June 2022	**December 2021**	**June 2022**	**December 2021**
Impact on Profit before tax				
Increase in LGD and PD by 2%	(1,218)	(2,134)	(1,156)	(2,128)
Decrease in LGDs and PD by 2%	1,218	2,199	1,156	2,104
Increase in LGDs and PD by 10%	(6,089)	(10,914)	(5,778)	(10,885)
Decrease in LGDs and PD by 10%	6,089	10,734	5,778	10,268

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

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

a) Provisions for loans recognised in the profit or loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:
• Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the retained earnings account to a "regulatory risk reserve".
• Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the retained earnings account

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

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

Statement of prudential adjustments *In millions of Naira*		**June 2022**	**December 2021**
Bank	Note		
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	22	339	435
- Loans to individuals	23(b)	8,690	13,832
- Loans to corporate	23(b)	57,443	73,818
Total impairment allowances on loans per IFRS		**66,472**	**88,086**
Total regulatory impairment based on prudential guidelines		**117,910**	**89,204**
Balance, beginning of the period		1,118	36,181
Additional transfers to/(from) regulatory risk reserve		50,320	(35,063)
Balance, end of the period		**51,438**	**1,118**

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

(ii) Assessment of impairment of goodwill on acquired subsidiaries

Goodwill on acquired subsidiaries were tested for impairment by comparing the value-in-use for the cash generating unit to the carrying amount of the goodwill based on cash flow projections. Projected cash flows for Kenya were discounted to present value using a discount rate of 23.77% and a cash flow terminal growth rate of 5.47% while Projected cash flows for Rwanda was discounted using a discount rate of 22.63% and terminal growth rate of 6.21%. The Group determined the appropriate discount rate at the end of the year using the Capital Asset Pricing Model. See note 29b for further details.

(iii) Defined benefit plan

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

(iv) Valuation technique unquoted equity:

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

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

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

Description of valuation methodology and inputs:

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

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

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

Step 3: Derive the average or median of EV/EBITDA or the P/B or P/E ratios of these identified quoted companies
Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value or Earnings of the investment company to get the value of the investment company

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

Step 6: Multiply the adjusted equity value by the present exchange rate for foreign currency investment
Step 7: Compare the Adjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss

a. Enterprise Value (EV):

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

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

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

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

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

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

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

Valuation Assumptions :

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

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

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

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

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

4.1.1 Recurring fair value measurements

In millions of Naira
Group
June 2022

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	619,052	-	-	619,052
Government Bonds	28,799	-	-	28,799
Eurobonds	-	13,533	-	13,533
Derivative financial instrument	-	118,936	-	118,936
Pledged assets				
-Financial instruments at FVPL				
Treasury bills	303,316	-	-	303,316
Government Bonds	955	-	-	955
Investment securities				
-Financial assets at FVOCI				
Treasury bills	1,072,899	-	-	1,072,899
Government Bonds	211,228	-	-	211,228
State government bonds	-	47,992	-	47,992
Corporate bonds	-	16,957	-	16,957
Eurobonds	-	131,069	-	131,069
Commercial paper		2,958	-	2,958
Promissory notes	-	12,310	-	12,310
-Financial assets at FVPL				-
Equity	-	5,691	157,145	162,836
Investment properties			217	217
Assets held for sale	-	-	39,106	39,106
	2,556,869	349,447	196,468	3,102,785
Liabilities				
Derivative financial instrument	-	15,331	-	15,332
	-	15,331	-	15,332

* There are no transfers between levels during the period

Group
December 2021

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	802,305	-	-	802,305
Government Bonds	76,677	-	-	76,677
Eurobonds	-	13,526	-	13,526
Derivative financial instrument	-	171,332	-	171,332
Pledged assets				
-Financial instruments at FVPL				
Treasury bills	64,764	-	-	64,764
Government Bonds	419	-	-	419
Investment securities				
-Financial assets at FVOCI				
Treasury bills	434,106	-	-	434,106
Government Bonds	229,097	-	-	229,097
State government bonds	-	42,958	-	42,958
Corporate bonds	-	16,248	-	16,248
Eurobonds	-	26,039	-	26,039
Promissory notes	-	27,608	-	27,608
-Financial assets at FVPL				
Equity	-	13,397	152,105	165,503
Investment properties	-	-	217	217
Assets held for sale	-	-	42,737	42,737
	1,607,369	311,107	195,059	2,113,533
Liabilities				
Derivative financial instrument	-	13,953	-	13,953
	-	13,953	-	13,953

Bank
June 2022
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	611,991	-	-	611,991
Government Bonds	7,257	-	-	7,257
Eurobonds	-	13,533		13,533
Derivative financial instrument	-	106,425	-	106,425
Pledged assets				
-Financial instruments at FVPL				
Treasury bills	303,316	-	-	303,316
Government Bonds	955	-	-	955
Investment securities				
-Financial assets at FVOCI				
Treasury bills	646,148	-	-	646,148
Government Bonds	45,907	-	-	45,907
State government bonds	-	47,992	-	47,992
Corporate bonds	-	16,957	-	16,957
Eurobonds	-	115,726	-	115,726
Commercial paper		2,958	-	2,958
Promissory notes	-	12,310	-	12,310
-Financial assets at FVPL				
Equity	-	5,691	156,865	162,556
Investment properties			217	217
Asset held for sale	-	-	34,163	34,163
	1,915,966	321,594	191,245	2,428,805
Liabilities				
Derivative financial instrument	-	12,425	-	12,425
	-	12,425	-	12,425

* There are no transfers between levels during the period

Bank
December 2021
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	786,717	-	-	786,717
Government Bonds	3,563	-	-	3,563
Eurobonds	-	13,526	-	13,526
Derivative financial instrument	-	161,439	-	161,439
Pledged assets				
-Financial instruments at FVPL				
Treasury bills	64,764	-	-	64,764
Government Bonds	419	-	-	419
Investment securities				
-Financial assets at FVOCI				
Treasury bills	172,719	-	-	172,719
Government Bonds	25,182	-	-	25,182
State government bonds	-	42,958	-	42,958
Corporate bonds	-	16,248	-	16,248
Eurobonds	-	13,828	-	13,828
Promissory notes	-	27,608	-	27,608
-Financial assets at FVPL				
Equity	-	13,397	151,822	165,219
Investment properties	-	-	217	217
Asset held for sale	-	-	42,547	42,547
	1,053,365	289,003	194,585	1,536,953
Liabilities				
Derivative financial instrument	-	9,943	-	9,943
	-	9,943	-	9,943

4.1.2 Financial instruments not measured at fair value

Group
June 2022
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,235,033	1,235,033
Investment under management				
Government bonds	2,949	-	-	2,949
Placements	-	-	17,002	17,002
Commercial paper	-	3,836	-	3,836
Treasury bills	2,537	-	-	2,537
Mutual funds	-	3,955	-	3,955
Eurobonds	-	3,580	-	3,580
Corporate Bonds	-	2,296	-	2,296
Loans and advances to banks	-	-	297,405	297,405
Loans and advances to customers	-	-	4,471,678	4,471,678
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	203,351	-	-	203,351
Bonds	124,362	-	-	124,362
Promissory notes	52,748	-	-	52,748
Investment securities				
-Financial assets at amortised cost				
Treasury bills	295,105	-	-	295,105
Government Bonds	419,477	-		419,477
State government bonds	-	6,178	-	6,178
Corporate bonds	-	5,986	-	5,986
Eurobonds	175,097	-	-	175,097
Promissory notes	13,421	-	-	13,420
Other assets	-	-	2,076,121	2,076,121
	1,289,046	25,831	8,097,238	9,412,113

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	2,075,417	2,075,417
Deposits from customers	-	-	7,839,374	7,839,374
Other liabilities	-	-	626,558	626,558
Debt securities issued	284,356	-	-	284,356
Interest-bearing borrowings	-	-	1,264,203	1,264,203
	284,356	-	11,805,551	12,089,907

* There are no transfers between levels during the period

Group
December 2021
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,487,665	1,487,665
Investment under management				
Government bonds	2,861	-	-	2,861
Placements	-	-	13,045	13,045
Commercial paper	-	5,153	-	5,153
Nigerian Treasury bills	2,575	-	-	2,575
Mutual funds	-	5,403	-	5,403
Eurobonds	-	3,885	-	3,885
Corporate Bonds	-	2,021	-	2,021
Loans and advances to banks	-	-	284,548	284,548
Loans and advances to customers	-	-	4,161,364	4,161,364
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	187,819	-	-	187,819
Bonds	29,670	-	-	29,670
Promissory notes	40,777	-	-	40,777
Investment securities				
-Financial assets at amortised cost				
Treasury bills	627,358	-	-	627,358
Government Bonds	342,767	-	-	342,766
State government bonds	-	6,343	-	6,342
Corporate bonds	-	5,446	-	5,445
Eurobonds	173,461	-	-	173,460
Total return notes	-	-	-	-
Promissory notes	15	-	-	14
Other assets	-	-	1,678,741	1,678,741
	1,407,302	**28,250**	**7,625,362**	**9,060,913**

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	958,397	958,397
Deposits from customers	-	-	5,587,418	5,587,418
Other liabilities	-	-	356,638	356,638
Debt securities issued	169,160	-	-	169,160
Interest-bearing borrowings	-	-	791,455	791,455
	169,160	**-**	**7,693,909**	**7,863,069**

Bank
June 2022
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	894,524	894,524
Investment under management				
Government bonds	2,949	-	-	2,949
Placements	-	-	17,002	17,002
Commercial paper	-	3,836	-	3,836
Nigerian Treasury bills	2,537	-	-	2,537
Mutual funds	-	3,955	-	3,955
Eurobonds	-	3,580	-	3,580
Corporate Bonds	-	2,296	-	2,296
Loans and advances to banks	-	-	225,545	225,545
Loans and advances to customers	-	-	3,448,372	3,448,372

Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	203,351	-	-	203,351
Bonds	124,362	-	-	124,362
Promissory notes	52,748	-	-	52,748
Investment securities				
Financial assets at amortised cost				
Treasury bills	222,923	-	-	222,923
Government Bonds	116,875		-	116,875
State government bonds	-	5,501	-	5,501
Corporate bonds	-	5,546	-	5,546
Eurobonds	202,178	-	-	202,178
Promissory notes	31,655	-	-	31,655
Other Assets	-	-	1,963,582	1,963,582
	959,577	24,714	6,549,025	7,533,316
Liabilities				
Deposits from financial institutions	-	-	1,725,708	1,725,708
Deposits from customers	-	-	6,419,891	6,419,891
Other liabilities	-	-	552,745	552,745
Debt securities issued	280,760		-	280,760
Interest-bearing borrowings	-	-	1,153,572	1,153,572
	280,760	-	9,851,918	10,132,678

Bank
December 2021
In millions of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,068,976	1,068,976
Investment under management				
Government bonds	2,861	-	-	2,861
Placements	-	-	13,045	13,045
Commercial paper	-	5,153	-	5,153
Nigerian Treasury bills	2,575	-	-	2,575
Mutual funds	-	5,403	-	5,403
Eurobonds	-	3,885	-	3,885
Corporate Bonds	-	2,021	-	2,021
Loans and advances to banks	-	-	322,259	322,259
Loans and advances to customers	-	-	3,256,073	3,256,073
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	187,819	-	-	187,819
Bonds	29,670	-	-	29,670
Promissory notes	40,777	-	-	40,777
Investment securities				
Financial assets at amortised cost				
Treasury bills	523,628	-	-	523,628
Government Bonds	244,151	-	-	244,151
State government bonds	-	6,343	-	6,343
Corporate bonds	-	6,326	-	6,326
Eurobonds	167,913	-	-	167,913
Total return notes	-	-	-	-
Promissory notes	14,843	-	-	14,843
Other Assets	-	-	1,579,143	1,579,143
	1,214,234	29,131	6,239,496	7,482,862
Liabilities				
Deposits from financial institutions	-	-	1,422,707	1,422,707
Deposits from customers	-	-	5,517,069	5,517,069
Other liabilities	-	-	491,743	491,743
Debt securities issued	260,644	-	-	260,644
Interest-bearing borrowings	-	-	1,072,435	1,072,435
	260,644	-	8,503,954	8,764,598

* There are no transfers between levels during the period

Financial instrument measured at fair value

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:
(i) Quoted market prices or dealer quotes for similar instruments;
(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in level 3

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

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

For level 2 assets, fair value was obtained using a recent market transaction during the period under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics.

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

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

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

Description	Fair value at 30 June 2022	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	106,425	Forward and swap: Fair value through market rate from a quoted market	Market rates from quoted market	93,826	94,173	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	12,425	Futures: Fair value through reference market rate				
Investment in CSCS	5,400	The market value is obtained from the National Asssociation Of Securities Dealers (NASD) as at the reporting year	Share price from NASD	5,670	5,130	The higher the share price, the higher the fair value
Nigerian Mortgage Refinance Company	291	The market value is obtained from the National Asssociation Of Securities Dealers (NASD) as at the reporting year	Share price from NASD	306	277	The higher the share price, the higher the fair value

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

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

Description	Fair value at 30 June 2022	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Fair value if unobservable inputs increased by 5%	Fair value if unobservable inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in Africa Finance Corporation	126,729	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	133,065	120,392	126,346	127,112	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	5,445	Adjusted fair value comparison approach	Median PE ratios of comparable companies	5,211	4,715	5,373	5,517	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in NIBSS	12,741	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	13,378	12,104	12,573	12,910	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in Afrexim	181	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	190	172	180	182	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in FMDQ	6,458	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	6,781	6,135	6,335	6,580	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	396	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	416	376	391	401	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
CAPITAL ALLIANCE EQUITY FUND	4,492	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,717	4,268	4,717	4,268	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
NG Clearing	372	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	391	354	370	375	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
SANEF	50	Adjusted fair value comparison approach	Fair value of transactions at settlement date	53	48	53	48	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value

4.1.5 Reconciliation of Level 3 Investments

The following tables presents the changes in Level 3 instruments for the period ended 30 June 2022

Financial assets at fair value through profit or loss (Equity)	**Group June 2022**	**Group December 2021**	**Bank June 2022**	**Bank December 2021**
Opening balance	152,105	141,231	151,822	141,200
Acquired from business combination	-	247	-	-
Total unrealised gains in P/L	(1,127)	10,628	(1,127)	10,621
Sales	-	-	-	-
Balance, period end	**150,978**	**152,105**	**150,695**	**151,822**

Assets Held for Sale	**Group June 2022**	**Group December 2021**	**Bank June 2022**	**Bank December 2021**
Opening balance	42,735	28,318	42,547	28,128
Additions	2	15,703	-	15,703
Disposals	(8,384)	(995)	(8,384)	(995)
Write Off	-	(290)	-	(290)
Balance, period end	**34,353**	**42,735**	**34,163**	**42,547**

Investment under management	**Group June 2022**	**Group December 2021**	**Bank June 2022**	**Bank December 2021**
Opening balance	13,045	6,386	13,045	6,386
Additions	3,957	6,659	3,957	6,659
Balance, period end	**17,002**	**13,045**	**17,002**	**13,045**

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

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

(i) Cash

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

(ii) Loans and advances to banks and customers

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

(iii) Investment securities and pledged assets

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

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

(iv) Other assets

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

(v) Deposits from banks and customers

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

(vi) Other liabilities

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

(vii) Interest bearing borrowings

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

(viii) Debt securities issued

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

4.3 Financial assets and liabilities

(a) Fair value measurement

Accounting classification measurement basis and fair values

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

Group In millions of Naira June 2022	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	Fair value	Total carrying amount
Cash and balances with banks	-	-	1,235,033	-	-	-	1,235,033	1,235,033
Investment under management	-	-	36,155	-	-	-	36,155	36,155
Non pledged trading assets		-	-	-	-	-		
Treasury bills	-	619,052	-	-	-	-	619,052	619,052
Bonds	-	28,799	-	-	-	-	28,799	28,799
Equity	-	13,533	-	-	-	-	13,533	13,533
Derivative financial instruments	-	118,936	-	-	-	-	118,936	118,936
Loans and advances to banks	-	-	297,405	-	-	-	297,405	307,240
Loans and advances to customers	-	-	4,471,678	-	-	-	4,471,678	4,619,556
Pledged assets		-						
Treasury bills	-	303,316	203,351	280,162	-	-	786,828	739,357
Government bonds	-	955	124,362	20,229	-	-	145,546	152,053
Promissory Notes	-	-	52,748	-	-	-	52,748	52,871
Investment securities								
- Financial assets at FVOCI		-						
Treasury bills	-	-	-	1,072,899	-	-	1,072,899	1,072,899
Government Bonds	-	-	-	211,228	-	-	211,228	211,228
State government bonds	-	-	-	47,992	-	-	47,992	47,992
Corporate bonds	-	-	-	16,957	-	-	16,957	16,957
Eurobonds	-	-	-	131,069	-	-	131,069	131,069
Commercial paper	-	-	-	2,958	-	-	2,958	2,958
Promissory Notes	-	-	-	12,310	-	-	12,310	12,310
- Financial assets at FVPL								
Equity	-	162,836	-	-	-	-	162,836	162,836
- Financial assets at amortised cost								
Treasury bills	-	-	295,105	-	-	-	295,105	357,294
Government Bonds	-	-	419,477	-	-	-	419,477	507,875
State government bonds	-	-	6,178	-	-	-	6,178	5,594
Corporate bonds	-	-	5,986	-	-	-	5,986	7,584
Eurobonds	-	-	175,097	-	-	-	175,097	211,998
Promissory Notes	-	-	13,421	-	-	-	13,421	16,250
Other assets	-	-	2,076,187	-	-	-	2,076,187	2,076,187
	-	**1,247,428**	**9,412,180**	**1,795,805**	**-**	**-**	**12,455,414**	**12,763,618**
Deposits from financial institutions	-	-	-	-	-	2,085,138	2,085,138	2,075,416
Deposits from customers	-	-	-	-	-	7,876,098	7,876,098	7,839,374
Other liabilities	-	-	-	-	-	626,558	626,558	626,558
Derivative financial instruments	-	-	-	-	15,331	-	15,331	15,331
Debt securities issued	-	-	-	-	-	289,694	289,694	284,354
Interest bearing borrowings	-	-	-	-	-	1,270,125	1,270,125	1,264,203
	-	**-**	**-**	**-**	**15,331**	**12,147,614**	**12,162,943**	**12,105,235**

Group
In millions of Naira
December 2021

	Financial assets designated as FVPL	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	1,487,665	-	-	-	1,487,665	1,487,665
Investment under management	-	-	34,942	-	-	-	34,942	34,942
Non pledged trading assets								
Treasury bills	-	116,036	-	-	-	-	116,036	116,036
Bonds	-	91,916	-	-	-	-	91,916	91,916
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	251,113	-	-	-	-	251,113	251,113
Loans and advances to banks	-	-	392,821	-	-	-	392,821	392,821
Loans and advances to customers	-	-	3,218,107	-	-	-	3,218,107	3,218,107
Pledged assets								
Treasury bills	-	85,007	94,447	1,000	-	-	180,453	184,104
Government bonds	-	-	44,571	2,617	-	-	47,188	44,451
Investment securities								
- Financial assets at FVOCI								
Treasury bills	-	-	-	434,106	-	-	434,106	434,106
Government Bonds	-	-	-	229,097	-	-	229,097	229,097
State government bonds	-	-	-	42,958	-	-	42,958	42,958
Corporate bonds	-	-	-	16,248	-	-	16,248	16,248
Eurobonds	-	-	-	26,039	-	-	26,039	26,039
Promissory Notes	-	-	-	27,608	-	-	27,608	27,608
- Financial assets at FVPL								
Equity	-	165,337	-	-	-	-	165,337	165,337
- Financial assets at amortised cost								
Treasury bills	-	-	627,358	-	-	-	627,358	642,490
Total Return Notes	-	-	-	-	-	-	-	-
Government bonds	-	-	342,767	-	-	-	342,767	443,682
State government bonds	-	-	6,343	-	-	-	-	7,334
Corporate bonds	-	-	5,446	-	-	-	-	7,592
Eurobonds	-	-	173,461	-	-	-	-	214,066
Promissory Notes	-	-	14,843	-	-	-	14,843	15,785
Other assets	-	-	1,678,804	-	-	-	1,678,804	1,678,804
	-	**709,409**	**8,121,575**	**779,672**	**-**	**-**	**9,425,407**	**9,772,303**
Deposits from financial institutions	-	-	-	-	-	1,691,304	1,691,304	1,696,521
Deposits from customers	-	-	-	-	-	6,933,439	6,933,439	6,954,827
Other liabilities	-	-	-	-	-	554,434	554,434	556,144
Derivative financial instruments	-	-	-	-	13,953	-	13,953	13,953
Debt securities issued	-	-	-	-	-	268,957	268,957	264,495
Interest bearing borrowings	-	-	-	-	-	1,167,658	1,167,658	1,171,260
	-	**-**	**-**	**-**	**13,953**	**10,615,791**	**10,629,744**	**10,657,200**

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 millions of Naira* **June 2022**	**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**	**Fair value**	**Total carrying amount**
Cash and balances with banks	-	-	894,524	-	-	-	894,524	894,524
Investment under management	-	-	36,155	-	-	-	36,155	36,155
Non pledged trading assets								
Treasury bills	-	611,990	-	-	-	-	611,990	611,990
Bonds	-	20,790	-	-	-	-	20,790	20,790
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	106,425	-	-	-	-	106,425	106,425
Loans and advances to banks	-	-	225,545	-	-	-	225,545	233,004
Loans and advances to customers	-	-	3,448,372	-	-	-	3,448,372	3,762,322
Pledged assets								
Treasury bills	-	303,316	203,351	224,162	-	-	730,828	739,357
Government bonds	-	955	124,362	19,575		-	144,892	152,053
Promissory Notes	-	-	52,748	-	-	-	52,748	52,871
Investment securities								
- Financial assets at FVOCI								
Treasury bills	-	-	-	646,148	-	-	646,148	646,148
Government bonds	-	-	-	45,907	-	-	45,907	45,907
State government bonds	-	-	-	47,992	-	-	47,992	47,992
Corporate bonds	-	-	-	16,957	-	-	16,957	16,957
Eurobonds	-	-	-	115,726	-	-	115,726	115,726
Commercial paper	-	-	-	2,958	-	-	2,958	2,958
Promissory Notes	-	-	-	12,310	-	-	12,310	12,310
- Financial assets at FVPL								
Equity	-	162,556	-	-	-	-	162,556	162,556
- Financial assets at amortised cost								
Treasury bills	-	-	222,923	-	-	-	222,923	269,903
Government Bonds	-	-	116,875	-	-	-	116,875	552,256
State government bonds	-	-	5,501	-	-	-	5,501	5,594
Corporate bonds	-	-	5,546	-	-	-	5,546	8,827
Eurobonds	-	-	202,178	-	-	-	202,178	205,342
Promissory Notes	-	-	31,655	-	-	-	31,655	16,251
Other assets	-	-	1,963,648	-	-	-	1,963,648	1,963,648
	-	**1,206,033**	**7,533,383**	**1,131,735**	**-**	**-**	**9,871,150**	**10,681,869**
Deposits from financial institutions	-	-	-	-	-	1,733,792	1,733,792	1,725,708
Deposits from customers	-	-	-	-	-	6,449,964	6,449,964	6,419,891
Other liabilities	-	-	-	-	-	552,745	552,745	552,745
Derivative financial instruments	-	-	-	-	12,425	-	12,425	12,425
Debt securities issued	-	-	-	-	-	285,458	285,458	280,758
Interest bearing borrowings	-	-	-	-	-	1,153,572	1,153,572	1,153,572
	-	**-**	**-**	**-**	**12,425**	**10,175,533**	**10,187,958**	**10,145,100**

Bank *In millions of Naira* **December 2021**	**Financial assets designated as FVPL**	**Financial assets mandatorily measured through FVPL**	**Financial assets measured at amortized cost**	**Financial assets measured at FVOCI**	**Financial liabilities mandatorily measured through FVPL**	**Financial liabilities measured at amortised cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	1,068,976	-	-	-	1,068,976	1,068,976
Investment under management	-	-	34,942	-	-	-	34,942	34,942
Non pledged trading assets								
Treasury bills	-	786,717	-	-	-	-	786,717	786,717
Bonds	-	17,089	-	-	-	-	17,089	17,089
Equity	-	-	-	-	-	-	-	-
Derivative financial instruments	-	161,439	-	-	-	-	161,439	161,439
Loans and advances to banks	-	-	311,944	-	-	-	311,944	322,259
Loans and advances to customers	-	-	2,453,107	-	-	-	2,453,107	3,256,073
Pledged assets								
Treasury bills	-	64,764	187,819	-	-	-	252,583	256,265
Government bonds	-	419	29,670	-	-	-	30,089	36,219
Promissory Notes	-	-	40,777	-	-	-	40,777	52,076
Investment securities								
- Financial assets at FVOCI								
Treasury bills	-	-	-	172,719	-	-	172,719	172,719
Government bonds	-	-	-	25,182	-	-	25,182	25,182
State government bonds	-	-	-	42,958	-	-	42,958	42,958
Corporate bonds	-	-	-	16,248	-	-	16,248	16,248
Eurobonds	-	-	-	13,828	-	-	13,828	13,828
Promissory Notes	-	-	-	27,608	-	-	27,608	27,608
- Financial assets at FVPL								
Equity	-	141,735	-	-	-	-	141,735	165,054
- Financial assets at amortised cost								
Treasury bills	-	-	523,628	-	-	-	523,628	535,678
Government Bonds	-	-	244,151	-	-	-	244,151	539,406
State government bonds	-	-	6,343	-	-	-	6,343	6,343
Corporate bonds	-	-	6,326	-	-	-	6,326	6,326
Eurobonds	-	-	167,913	-	-	-	167,913	167,913
Promissory Notes	-	-	14,843	-	-	-	14,843	15,785
Other assets	-	-	1,579,206	-	-	-	1,579,206	1,579,206
	-	**1,172,163**	**6,669,643**	**298,544**	**-**	**-**	**8,140,351**	**9,306,310**
Deposits from financial institutions	-	-	-	-	-	1,418,332	1,418,332	1,422,707
Deposits from customers	-	-	-	-	-	5,500,102	5,500,102	5,517,069
Other liabilities	-	-	-	-	-	490,230	490,230	491,743
Derivative financial instruments	-	-	-	-	9,943	-	9,943	9,943
Debt securities issued	-	-	-	-	-	265,002	265,002	260,644
Interest bearing borrowings	-	-	-	-	-	1,072,435	1,072,435	1,072,435
	-	**-**	**-**	**-**	**9,943**	**8,746,102**	**8,756,046**	**8,774,542**

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 three (3) line of defense model which enhances the understanding of risk management and control by clarifying roles and responsibilities. The risk management process of the bank is well fortified to mitigate and/or eliminate any risk events on the bank's business.

The Risk Management Division has continued to take advantage of advancement and innovation in the technology space to automate the management of risk. Credit and analytics tools are in use to enhance the credit decision making and monitoring process in the bank. The Risk Dashboard has been enhanced to present the bank's measurable risk metrics for ease of decision-making.

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 officers 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 relevant 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 replicated in the subsidiaries.

A loan request is initiated by the relationship officer and reviewed by the relationship manager/Sector Head/Group Head of the respective business teams. Further detailed review is carried out 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 the facility. .

The standard credit evaluation process is based both on quantitative figures from the Financial Statements and on an array of qualitative factors such as the PESTLE analysis, SWOT analysis, Porter's five forces etc. 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, its management, industry, the country of operation and the impact of globalization.

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

Credit Officer Risk Rating

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

Credit Risk Control and Mitigation

Authority Limits on Credit

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

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

Access Bank has a Business Continuity Plan that defines how it manages incidents in the case of a disaster or other disruptive incidents, and how to recover its activities within set deadlines. The purpose of the plan is to:

- Predefine the resources and specify actions required to minimize losses that might otherwise result from a business interruption irrespective of cause.
- Ensure a business-as-usual level of performance while in contingency mode; and
- Ensure the timely and orderly restoration of business activities.

We seek to minimize 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 minimize 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.

- Minimize 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, optimize 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 utilization 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 analyze business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

Allocating Capital to Business Units

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

Insurance Mitigation

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

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

Market Risk Management

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

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

Market Risk Policy Management and Control

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

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

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

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

Banking Book

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

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

Interest Rate Risk

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

i. Re-Pricing and Liquidity Gap Analysis

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

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

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

ii. Earnings-at-Risk Approach

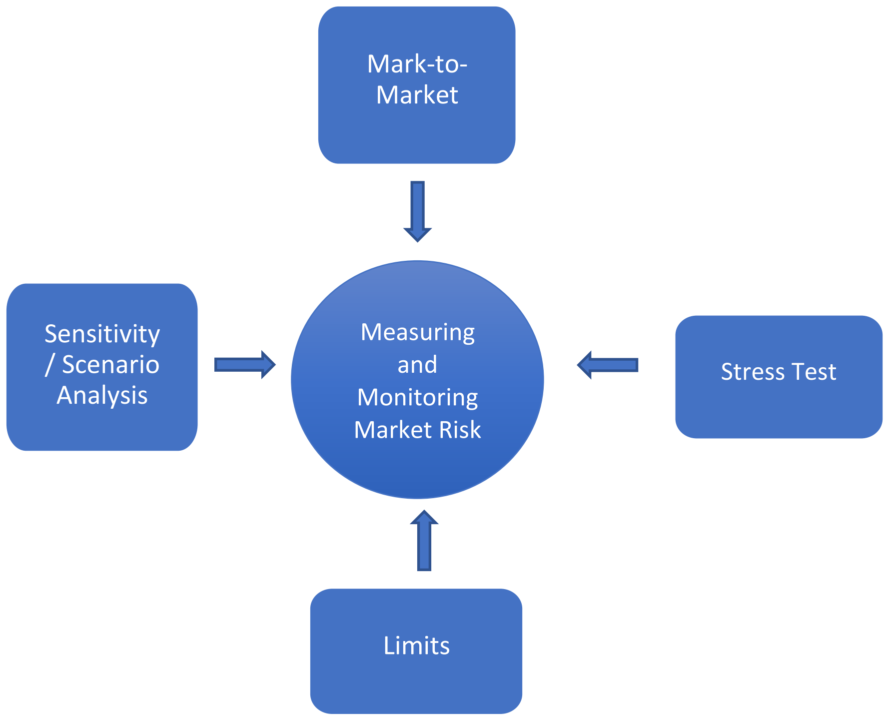
Earnings at risk is the potential change in net income due to adverse movements in interest rates over a defined period. It guides the Bank to understand the impact that a change in interest rates can make on our position and projected cash flow.

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

iii. Sensitivity Analysis

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

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



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

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

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

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

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

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

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

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

Mark-to-Market (MTM)

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

Stress Testing

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

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

Liquidity Risk Management

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

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

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

Contingency Funding Plan

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

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

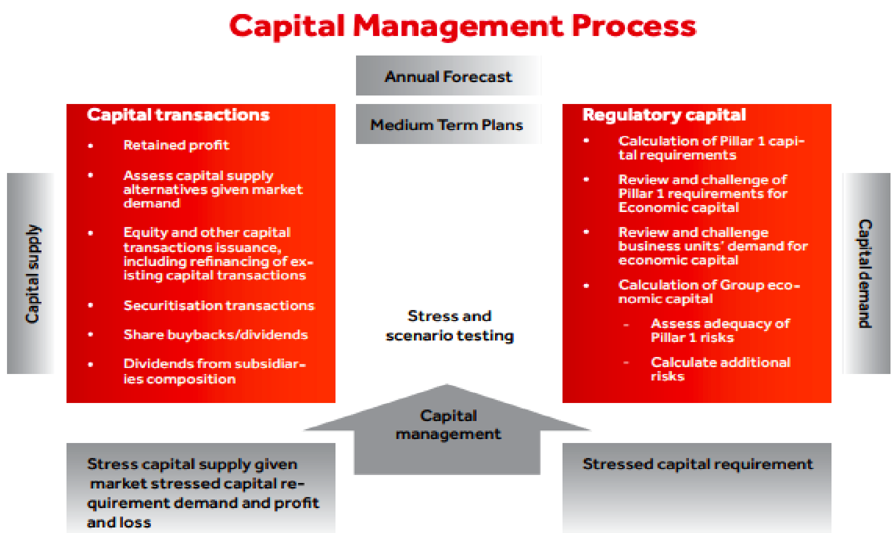
Capital Risk Management

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

Capital management objectives:
The Group has several capital management objectives:

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

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



Importance of Capital Management

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

Enterprise-Wide Scenario and Stress Testing

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

Enterprise Risk Management Committee. These are then incorporated alongside other core business processes into decision making by management and the Board. These scenario and stress testing procedures were significantly enhanced during the recent pandemic and its macroeconomic fallouts, and the management actions that arose from them were pivotal in enabling the Bank to mitigate and optimise risk outcomes and capital.

Compliance Risk Management

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

The 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. The Business Unit Compliance Officers and Quality Assurance desk across the business units has further strengthened and deepened the cooperation with the first line of defense.
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

The global cybersecurity threat landscape has continued to evolve with increasing dynamism since the onset of the covid-19 pandemic and its impact on social interactions has led to both increased digital collaboration between malicious threat actors and commercialization of cybercrime. Our approach to this malaise is hinged on a proactive cyber strategy that combines a solid defensive foundation, deep threat intelligence and resilient capabilities.

Hence, as part of these strategic initiatives, the bank established a comprehensive cybersecurity framework and also implemented a defense-in-depth approach to protect our information assets (most especially our crown jewels), our human capital, and our business across Access Nation. The Security function has been expanded to cover Cybersecurity Governance, 3rd Party Risk & API Management, Forensic Analysis, and Incident Response.

A key digital change in the bank's mode of operations reflecting a gradual approach to normalcy as part of the post covid-19 pandemic recovery phased activities is the physical resumption of most of our employees at the office after a long spell of remote work and the positivity it reflects. We understand that everyone still has to remain on their guard and follow proper public hygiene protocols. On the digital front, this reflected in our steady drive to improve incident detection and response capabilities to deliver more resiliency and prevent breaches across the enterprise.

Our position as the leading retail bank in Nigeria, coupled with our ongoing expansion drive with over 45 million customers means we cannot afford to rest on our oars nor drop our guard given the digital threat landscape and constant operational security challenges of our environments. Therefore, a particular initiative that our proactive and defensive measures deliver is a reduction of our attack surface to the barest minimum to ensure there is no financial loss to the bank. We are also constantly improving on our visibility into potential anomalous digital interactions across the enterprise through our World Class 24/7 Security Operations Center (SOC).

We have also implemented global best-practice security frameworks to ensure compliance with both regulatory requirements and international standards. This is followed up with a yearly compliance reassessment of our status as part of our cyber governance across Access Nation. Our human capital is a cardinal part of our strategy and their capability is constantly being honed through our bank-wide user awareness training. Through this, our technical controls are well complemented by an alert workforce, whose ability to recognize the tricks of hackers with their malicious appendages are highly developed, therefore, disrupting the cyber kill-chain and improving our collective resistance to social engineering attacks.

The constant improvement and breakthroughs in technology, as well as the never-ending desire to improve services, have made Digital Banking, Fintech Integration & Cloud Adoption Strategy a pathway that the Bank must pursue. Therefore, as we work towards realising these objectives, the implementation of proper risk mitigation measures will reduce the business risks, inherent in these opportunities, to the bank and deliver more optimal outcomes. We are committed to maintaining a "moderate overall cyber risk appetite" while driving compliance and resilience across Access Nation.

Environmental And Social Risk Management

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

Responding to Climate Change

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

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

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

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

Reputational Risk Management

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

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

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

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

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

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

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

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

Compilation Of Trigger Events

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

Risk Drivers	Trigger Events
Corporate governance and leadership	• Corporate frauds and scandals; • Association with dishonest and disreputable characters as directors, management • Association with politically exposed persons • Incidence of shareholders conflict and Board Instability.
Regulatory Compliance	• Non-Compliance with laws and regulation; • Non-submission of Regulatory returns
Delivering customer promise	• Security Failure

	• Shortfall in quality of service/fair treatment; • Bad behavior by employees
Workplace talent and culture	• Unfair employment practices • Not addressing employee grievances • Uncompetitive remuneration
Corporate social responsibility	• Lack of community development initiatives
Corporate Culture	• Lack of appropriate culture to support the achievement of business objective. • Ineffective risk management practices. • Unethical behaviors on the part of staff and management. • Lack of appropriate structure for employees to voice their concerns
Risk Management and Control Environment	• Inadequate Risk Management and Control environment • Continuous violations of existing policies and procedures
Financial Soundness and Business viability	• Consistent poor financial performance • Substantial losses from unsuccessful Investment
Crisis Management	• Inadequate response to a crisis or even a minor incident

Approach To Managing Reputation Risk Events

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

Post Reputation Event Reviews

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

Strategic Risk Management

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

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

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

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

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

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

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

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

Economic Intelligence

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

Some of the Unit's Roles and Responsibilities include:

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

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 millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Cash and balances with banks				
- Current balances with banks	288,408	386,479	162,352	232,288
- Unrestricted balances with central banks	84,564	72,671	875	1,057
- Money market placements	65,001	102,503	1,688	78,550
- Other deposits with central banks	338,189	155,049	338,189	155,049
Investment under management	36,155	34,942	36,155	34,942
Non pledged trading assets				
Treasury bills	619,052	802,305	611,990	786,717
Bonds	42,332	90,203	20,790	17,089
Derivative financial instruments	118,936	171,332	106,425	161,439
Loans and advances to banks	307,240	284,548	233,004	322,259
Loans and advances to customers	4,619,556	4,161,364	3,762,322	3,256,073
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	280,162	-	280,162	-
Bonds	20,229	-	20,229	-
Promissory notes	-	-	-	-
-Financial instruments at amortized cost				
Treasury bills	155,879	191,501	155,879	191,501
Bonds	130,869	35,800	130,869	35,800
Promissory notes	52,871	52,076	52,871	52,076
-Financial instruments at FVPL				
Treasury bills	303,316	64,764	303,316	64,764
Bonds	955	419	955	419
Promissory notes	-	-	-	-
Investment securities				
-Financial instruments at FVOCI				
Treasury bills	1,072,899	434,106	646,148	172,719
Bonds	407,246	314,341	226,582	98,216
Promissory notes	12,310	27,608	12,310	27,608
- Financial assets at amortised cost		-		-
Treasury bills	357,294	642,490	269,903	535,678
Total Return notes	-	-	-	-
Bonds	733,051	672,675	568,507	555,191
Promissory notes	16,250	15,785	16,251	15,785
Restricted deposit and other assets	2,076,187	1,678,804	1,963,648	1,579,206
Total	**12,138,953**	**10,391,766**	**9,921,423**	**8,374,425**

Off balance sheet exposures				
Transaction related bonds and guarantees	558,586	518,560	499,837	448,678
Clean line facilities for letters of credit and other commitments	811,769	618,809	576,964	437,456
Total	**1,370,354**	**1,137,369**	**1,076,802**	**886,134**

Balances included in other Assets above are those subject to credit risks. The table above shows a worst-case scenario of credit risk exposure to the Group as at 30 June 2022 and 31 December 2021, 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 millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Agriculture	42,909	43,253	35,287	35,985
Construction	303,111	297,303	282,230	276,515
Education	1,359	5,320	1,248	5,320
Finance and insurance	145,219	108,801	132,539	98,370
General	507,137	494,310	271,171	239,905
General commerce	570,546	525,785	362,318	301,940
Government	390,831	341,955	373,914	323,770
Information And communication	386,421	194,956	342,715	147,973
Other manufacturing (Industries)	182,807	187,045	135,630	136,330
Basic metal Products	3,385	3,830	3,385	3,830
Cement	104,214	97,838	104,214	97,838
Conglomerate	96,583	102,418	96,583	102,418
Flourmills And bakeries	12,175	3,015	12,175	3,015
Food manufacturing	164,286	118,892	94,486	43,856
Steel rolling mills	102,935	123,168	102,935	123,168
Oil And Gas - downstream	211,738	160,846	193,779	141,540
Oil And Gas - services	616,440	661,823	577,687	624,478
Oil And Gas - upstream	231,230	201,740	225,118	195,170
Crude oil refining	44,215	11,427	44,215	11,427
Real estate activities	253,851	239,479	232,015	216,005
Transportation and storage	172,315	182,486	158,970	168,140
Power and energy	26,545	25,873	25,633	24,892
Professional, scientific and technical activities	5,257	5,954	2,092	2,552
Others	161,801	173,746	18,116	19,285
	4,737,312	**4,311,265**	**3,828,454**	**3,343,722**

5.1.3(a) Group
June 2022
Credit quality by class

Loans to retail customers

In millions 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	345,583	27,799	-	373,381	5,424	372	-	5,795	367,586
Non-Investment	-	-	44,533	44,532	-	-	13,444	13,444	31,088

Loans to corporate customers

In millions 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	1,368,948	-	-	1,368,948	3,639	-	-	3,640	1,365,309
Standard grade	2,478,015	331,293	-	2,809,309	22,827	11,724	-	34,550	2,774,758
Non-Investment	-	-	141,138	141,139	-	-	60,323	60,323	80,816

Loans and advances to banks

In millions 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	307,458	-	-	307,458	285	-	-	285	307,172
Standard grade	2	-	-	2	-	-	-	-	2
Non-Investment	-	-	119	119	-	-	54	54	64

Off balance sheet

In millions 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	838,214	-	-	838,214	849	-	-	849	837,365
Standard grade	529,630	-	-	529,630	5,912	-	-	5,911	523,719
Non-Investment	1,842	-	670	2,513	129	-	232	361	2,151

Investment securities

In millions 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		-	-	-	233	-	-	233	(233)
Standard grade	23,920	-	-	23,920	-	-	-	-	23,921
Non-Investment	1,470,288	217,181	-	1,687,470	33	601	-	633	1,686,835

Pledged Assets

In millions 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	944,281	-	-	944,281	8	-	-	8	944,273

Cash and balances with banks;
-Money market placements

In millions 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	63,312	-	-	63,312	77	-	-	77	63,235
Standard grade	-	-	-	-	-	-	-	-	-
Non-Investment	1,685	-	-	1,685	4	-	-	4	1,682

Other assets

In millions 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	2,030,070	-	-	2,030,070	204	-	-	204	2,029,865
Standard grade	6,383	45,631	-	52,013	37	5,720	-	5,757	46,256
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3(b) Bank
June 2022
Credit quality by class

Loans to retail customers

In millions 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	126,988	12,879	-	139,867	5,424	372	-	5,796	134,071
Non-Investment	-	-	11,754	11,754	-	-	2,892	2,892	8,862

Loans to corporate customers

In millions 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	1,368,948	-	-	1,368,948	3,639	-	-	3,639	1,365,309
Standard grade	1,934,664	304,731	-	2,239,395	20,993	10,362	-	31,358	2,208,038
Non-Investment	-	-	68,490	68,490	-	-	22,450	22,450	46,040

Loans and advances to banks

In millions 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	233,223	-	-	233,223	285	-	-	285	232,939
Standard grade	2	-	-	2	-	-	-	-	2
Non-Investment	-	-	119	119	-	-	54	54	64

Off balance sheet

In millions 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	658,654	-	-	658,654	835	-	-	835	657,819
Standard grade	416,174	-	-	416,174	5,812	-	-	5,812	410,363
Non-Investment	1,304	-	670	1,973	123	-	232	355	1,619

Investment securities

In millions 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	184,237	-	-	184,237	2	-	-	2	184,235
Standard grade	23,920	-	-	23,920	-	-	-	-	23,921
Non-Investment	1,470,280	210,526	-	1,680,806	33	601	-	633	1,680,173

Pledged Assets

In millions 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	943,326	-	-	943,326	8	-	-	8	943,317

Cash and balances with banks;

-Money market placements

In millions 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	-	-	-	-	-	-	-	-	-
Non-Investment	1,685	-	-	1,685	4	-	-	4	1,681

Other assets

In millions 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	1,918,966	-	-	1,918,966	155	-	-	155	1,918,811
Standard grade	6,033	43,133	-	49,167	28	4,367	-	4,395	44,771
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3(a) Group
December 2021
Credit quality by class

Loans to retail customers

In millions 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	356,920	17,446	975	375,340	8,447	1,370	539	10,355	364,985
Non-Investment	-	9,839	30,843	40,681	-	824	15,953	16,776	23,904

Loans to corporate customers

In millions 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	1,543,722	2,680	-	1,546,402	4,591	4	-	4,596	1,541,806
Standard grade	1,808,467	390,641	323	2,199,432	24,165	25,338	116	49,621	2,149,813
Non-Investment	-	7	149,401	149,409	-	7	68,546	68,553	80,857

Loans and advances to banks

In millions 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	284,357	-	-	284,357	484	-	-	484	283,872
Standard grade	543	117	-	660	10	9	-	18	641
Non-Investment	-	-	152	152	-	-	117	117	33

Off balance sheet

In millions 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	547,346	-	-	547,346	454	-	-	454	546,892
Standard grade	570,991	-	-	570,991	1,465	-	-	1,465	569,527
Non-Investment	3	-	19,028	19,033	0	-	13	13	19,020

Investment securities

In millions 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	880,646	-	-	880,646	1,244	-	-	1,244	879,401
Standard grade	2,105,914	-	-	2,105,914	480	-	-	480	2,105,434
Non-Investment	6,909	14,438	-	21,348	124	735	-	860	20,489

Pledged Assets

In millions 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	344,560	-	-	344,560	23	-	-	23	344,537

Cash and balances with banks; Money market placements

In millions 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	65,137	-	-	65,137	124	-	-	124	65,014
Standard grade	1,315	-	-	1,315	0	-	-	0	1,315
Non-Investment	36,049	-	-	36,049	60	-	-	60	35,989

Other assets

In millions 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	1,625,489	-	-	1,625,489	110	-	-	110	1,625,379
Standard grade	9,790	47,932	-	57,722	60	4,237	-	4,297	53,426
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3(b) Bank
December 2021
Credit quality by class

Loans to retail customers

In millions 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	111,960	1,686	975	114,621	6,409	59	539	7,006	107,614
Non-Investment	-	9,839	10,283	20,122	-	824	6,001	6,825	13,297

Loans to corporate customers

In millions 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	1,363,416	2,680	-	1,366,096	4,591	4	-	4,595	1,361,501
Standard grade	1,410,531	370,311	323	1,781,164	19,354	23,647	116	43,117	1,738,047
Non-Investment	-	7	61,712	61,719	-	7	26,099	26,105	35,614

Loans and advances to banks

In millions 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	-	-	231,940	333	-	-	333	231,608
Standard grade	6	-	-	6	10	8	-	17	(10)
Non-Investment	-	-	140	140	-	-	84	84	57

Off balance sheet

In millions 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	-	-	348,260	245	-	-	245	348,015
Standard grade	325,396	1,879	-	327,275	2,289	43	-	2,332	324,943
Non-Investment	41	1,240	-	1,281	1	41	-	42	1,239

Investment securities

In millions 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	169,615	-	-	169,615	1	-	-	1	169,614
Standard grade	2,105,914	-	-	2,105,914	480	-	-	480	2,105,434
Non-Investment	6,909	7,591	-	14,501	124	735	-	860	13,641

Pledged Assets

In millions 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	344,141	-	-	344,141	23	-	-	23	344,118

Cash and balances with banks;
Money market placements

In millions 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	41,185	-	-	41,185	0	-	-	0	41,185
Standard grade	1,315	-	-	1,315	0	-	-	0	1,315
Non-Investment	36,049	-	-	36,049	60	-	-	60	35,989

Other assets

In thousands of Naira	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Internal rating grade									
Investment	1,528,104	-	-	1,528,104	79	-	-	79	1,528,025
Standard grade	9,204	45,060	-	54,264	43	3,041	-	3,084	51,181
Non-Investment	-	-	-	-	-	-	-	-	-

5.1.3 Credit quality

(c) Credit quality by risk rating class

Group

In millions of Naira
June 2022

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+	4,246	-	-	4,246	179	-	-	179	4,066
BB	Standard	3	329,142	19,636	-	348,779	5,194	360	-	5,554	343,224
BB-	Standard	3-	12,195	7,163	-	19,359	51	12	-	63	19,296
B	Non-Investment	4	-	800	116	916	-	-	29	29	887
B-	Non-Investment	5	-	200	1,318	1,518	-	-	313	313	1,204
CCC	Non-Investment	6	-	-	17,550	17,550	-	-	5,125	5,125	12,427
C	Non-Investment	7	-	-	12,882	12,882	-	-	540	540	12,341
D	Non-Investment	8	-	-	12,667	12,667	-	-	7,436	7,436	5,232
Carrying amount			**345,584**	**27,799**	**44,533**	**417,915**	**5,424**	**372**	**13,444**	**19,244**	**398,671**

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	280,417	-	-	280,417	223	-	-	223	280,193
AA	Investment	2+	335,876	-	-	335,876	719	-	-	719	335,157
A	Investment	2	334,270	-	-	334,270	644	-	-	644	333,625
BBB	Investment	2-	523,385	-	-	523,385	2,662	-	-	2,662	520,722
BB+	Standard	3+	517,519	5,961	-	523,479	2,895	65	-	2,960	520,518
BB	Standard	3	1,685,638	281,702	-	1,967,341	16,461	9,640	-	26,101	1,941,240
BB-	Standard	3-	169,858	43,629	-	213,486	2,861	2,018	-	4,878	208,608
B	Non-Investment	4	-	-	416	416	-	-	105	105	311
B-	Non-Investment	5	-	-	51,999	51,999	-	-	14,716	14,716	37,283
CCC	Non-Investment	6	-	-	23,658	23,658	-	-	10,299	10,299	13,359
C	Non-Investment	7	-	-	65,065	65,065	-	-	35,203	35,203	29,861
			3,846,962	**331,292**	**141,139**	**4,319,395**	**26,466**	**11,724**	**60,323**	**98,513**	**4,220,882**

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	307,458	-	-	307,458	285	-	-	285	307,173
BB	Standard	3	2	-	-	2	-	-	-	-	2
D	Non-Investment	8	-	-	119	119	-	-	54	54	64
			307,461	**-**	**119**	**307,578**	**285**	**-**	**54**	**339**	**307,240**

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	868,937	-	-	868,937	231	-	-	231	868,706
A	Investment	2	184,517	-	-	184,517	2	-	-	2	184,515
BB	Standard	3	23,920	-	-	23,920	-	-	-	-	23,920
B	Non-Investment	4	1,470,290	217,181	-	1,687,471	33	601	-	633	1,686,837
			2,547,665	**217,181**	**-**	**2,764,845**	**265**	**601**	**-**	**866**	**2,763,979**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal June 2022	Fair Value June 2022
AAA-A	Investment	1	1,469,408	108,391
AA	Investment	2+	56,727	(759)
A	Investment	2	85,261	(568)
BBB	Investment	2-	42,679	(1,069)
BB+	Standard	3+	32,864	(769)
BB	Standard	3	34,272	(1,459)
BB-	Standard	3-	3,341	(160)
B	Non-Investment	4		
Gross amount			**1,724,551**	**103,606**

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

Other Assets

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying
AAA	Investment	1	1,913,562	-	-	1,913,562	13	-	-	13	1,913,549
AA	Investment	2+	40,798	-	-	40,798	14	-	-	14	40,784
A	Investment	2	52,005	-	-	52,005	174	-	-	174	51,832
BBB	Investment	2-	23,704	-	-	23,704	4	-	-	4	23,701
BB+	Standard	3+	6,383	-	-	6,383	37	-	-	37	6,346
BB	Standard	3	-	45,631	-	45,631	-	5,720	-	5,720	39,911
			2,036,452	**45,631**	**-**	**2,082,083**	**241**	**5,720**	**-**	**5,961**	**2,076,122**

Bank
June 2022
In millions 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+	4,246	-	-	4,246	179	-	-	179	4,066
BB	Standard	3	121,547	12,636	-	134,184	5,194	360	-	5,554	128,630
BB-	Standard	3-	1,195	242	-	1,438	51	12	-	62	1,376
B	Non-Investment	4	-	-	116	116	-	-	29	29	89
B-	Non-Investment	5	-	-	1,318	1,318	-	-	313	313	1,005
CCC	Non-Investment	6	-	-	4,550	4,550	-	-	1,125	1,125	3,424
C	Non-Investment	7	-	-	1,982	1,982	-	-	490	490	1,492
D	Non-Investment	8	-	-	3,788	3,788	-	-	936	936	2,853
Carrying amount			**126,989**	**12,880**	**11,754**	**151,620**	**5,424**	**371**	**2,892**	**8,693**	**142,928**

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	280,417	-	-	280,417	223	-	-	223	280,195
AA	Investment	2+	335,876	-	-	335,876	719	-	-	719	335,157
A	Investment	2	334,270	-	-	334,270	394	-	-	395	333,874
BBB	Investment	2-	418,385	-	-	418,385	2,302	-	-	2,302	416,082
BB+	Standard	3+	387,519	4,392	-	391,911	2,415	4	-	2,419	389,492
BB	Standard	3	1,386,287	261,702	-	1,647,990	15,761	8,540	-	24,301	1,623,689
BB-	Standard	3-	160,858	38,637	-	199,495	2,817	1,817	-	4,633	194,862
B	Non-Investment	4	-	-	416	416	-	-	105	105	311
B-	Non-Investment	5	-	-	36,499	36,499	-	-	3,816	3,816	32,683
CCC	Non-Investment	6	-	-	12,860	12,860	-	-	3,199	3,199	9,662
C	Non-Investment	7	-	-	8,403	8,403	-	-	2,126	2,126	6,277
D	Non-Investment	8	-	-	10,312	10,312	-	-	13,204	13,204	(2,892)
			3,303,612	**304,731**	**68,490**	**3,676,833**	**24,632**	**10,363**	**22,450**	**57,443**	**3,619,390**

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	233,223	-	-	233,223	285	-	-	285	232,938
BB	Standard	3	2	-	-	2	0	-	-	0	2
D	Non-Investment	8	-	-	119	119	-	-	54	54	64
			233,225	**-**	**119**	**233,343**	**285**	**-**	**54**	**339**	**233,004**

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	184,237	-	-	184,237	2	-	-	2	184,235
BB	Standard	3	23,920	-	-	23,920	0	-	-	0	23,921
B	Non-Investment	4	1,470,280	210,526	-	1,680,806	33	601	-	633	1,680,173
			1,678,438	**210,526**	**-**	**1,888,965**	**35**	**601**	**-**	**635**	**1,888,330**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal June 2022	Fair Value June 2022
AAA-A	Investment	1	1,413,780	98,341
AA	Investment	2+	31,620	(697)
A	Investment	2	54,579	(689)
BBB	Investment	2-	41,063	(970)
BB+	Standard	3+	3,214	(145)
BB	Standard	3	82,033	(516)
BB-	Standard	3-	32,974	(1,324)
Gross amount			**1,659,264**	**94,000**

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

Other Assets

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying
AAA	Investment	1	1,808,835	-	-	1,808,835	10	-	-	10	1,808,825
AA	Investment	2+	38,565	-	-	38,565	11	-	-	11	38,555
A	Investment	2	49,159	-	-	49,159	132	-	-	132	49,027
BBB	Investment	2-	22,407	-	-	22,407	3	-	-	3	22,404
BB+	Standard	3+	6,033	-	-	6,033	28	-	-	28	6,005
BB	Standard	3	-	43,133	-	43,133	-	4,367	-	4,367	38,766
			1,925,000	**43,133**	**-**	**1,968,133**	**183**	**4,367**	**-**	**4,551**	**1,963,582**

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

Group

In millions of Naira
December 2021

Loans and advances to retail customers

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
BB+	Standard	3+	488	-	-	488	29	-	-	29	459
BB	Standard	3	356,239	17,445	975	374,659	8,405	1,370	539	10,314	364,345
BB-	Standard	3-	193	1	-	194	13	0	-	13	181
B	Non-Investment	4	-	2,386	-	2,386	-	268	-	268	2,119
B-	Non-Investment	5	-	7,453	16	7,469	-	556	-	556	6,913
CCC	Non-Investment	6	-	-	4,865	4,865	-	-	2,650	2,650	2,215
C	Non-Investment	7	-	-	22,409	22,409	-	-	11,263	11,263	11,145
D	Non-Investment	8	-	-	3,552	3,552	-	-	2,040	2,040	1,513
Carrying amount			**356,920**	**27,285**	**31,817**	**416,023**	**8,447**	**2,194**	**16,492**	**27,133**	**388,890**

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	240,473	-	-	240,473	256	-	-	256	240,218
AA	Investment	2+	350,334	-	-	350,334	236	-	-	236	350,098
A	Investment	2	323,030	2,680	-	325,711	1,920	4	-	1,924	323,787
BBB	Investment	2-	629,884	-	-	629,884	2,179	-	-	2,179	627,705
BB+	Standard	3+	371,249	8,183	-	379,432	2,963	98	-	3,061	376,371
BB	Standard	3	1,361,554	359,095	300	1,720,949	17,094	23,047	110	40,251	1,680,698
BB-	Standard	3-	75,664	23,363	23	99,050	4,107	2,194	6	6,307	92,742
B	Non-Investment	4	-	7	-	7	-	7	-	7	-
B-	Non-Investment	5	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	113,268	113,268	-	-	52,813	52,813	60,454
C	Non-Investment	7	-	-	22,419	22,419	-	-	8,280	8,280	14,139
D	Non-Investment	8	-	-	13,715	13,715	-	-	7,452	7,452	6,263
			3,352,188	**393,327**	**149,725**	**3,895,244**	**28,756**	**25,350**	**68,662**	**122,767**	**3,772,474**

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	284,357	-	-	284,357	484	-	-	484	283,873
BB	Standard	3	543	117	-	659	10	9	-	18	641
D	Non-Investment	8	-	-	152	152	-	-	117	117	34
			284,900	**117**	**152**	**285,168**	**493**	**9**	**117**	**620**	**284,548**

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	710,747	-	-	710,747	1,243	-	-	1,243	709,504
A	Investment	2	169,899	-	-	169,899	1	-	-	1	169,898
BB	Standard	3	2,105,914	-	-	2,105,914	480	-	-	480	2,105,434
B	Non-Investment	4	6,909	14,438	-	21,347	124	735	-	860	20,488
CCC	Non-Investment	6	-	-	-	-	-	-	-	-	-
			2,993,469	**14,438**	**-**	**3,007,907**	**1,849**	**735**	**-**	**2,583**	**3,005,323**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2021	Fair Value December 2021
AAA	Investment	1	1,430,053	152,916
AA	Investment	2+	45,426	(205)
A	Investment	2	35,144	993
BBB	Investment	2-	110,379	(1,244)
BB+	Standard	3+	19,794	719
BB	Standard	3	94,942	2,713
BB-	Standard	3-	62,516	1,487
Gross amount			**1,798,255**	**157,378**

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

Other Assets

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
AAA	Investment	1	1,463,263	-	-	1,463,263	61	-	-	61	1,463,202
AA	Investment	2+	19,311	-	-	19,311	9	-	-	9	19,302
A	Investment	2	85,563	-	-	85,563	6	-	-	6	85,557
BBB	Investment	2-	57,352	-	-	57,352	35	-	-	35	57,317
BB+	Standard	3+	9,790	-	-	9,790	60	-	-	60	9,731
BB	Standard	3	-	47,932	-	47,932	-	4,237	-	4,237	43,695
			1,635,280	**47,932**	**-**	**1,683,212**	**170**	**4,237**	**-**	**4,407**	**1,678,804**

Bank
December 2021
In millions 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+	488	-	-	488	29	-	-	29	459
BB	Standard	3	111,278	1,685	975	113,938	6,367	58	539	6,964	106,974
BB-	Standard	3-	193	1	-	194	13	0	-	13	181
B	Non-Investment	4	-	2,386	-	2,386	-	268	-	268	2,119
B-	Non-Investment	5	-	7,453	16	7,469	-	556	-	556	6,913
CCC	Non-Investment	6	-	-	4,865	4,865	-	-	2,650	2,650	2,215
C	Non-Investment	7	-	-	1,849	1,849	-	-	1,311	1,311	538
D	Non-Investment	8	-	-	3,552	3,552	-	-	2,040	2,040	1,513
Carrying amount			**111,960**	**11,525**	**11,258**	**134,743**	**6,409**	**883**	**6,540**	**13,831**	**120,911**

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	240,473	-	-	240,473	256	-	-	256	240,218
AA	Investment	2+	350,334	-	-	350,334	236	-	-	236	350,098
A	Investment	2	323,030	2,680	-	325,711	1,920	4	-	1,924	323,787
BBB	Investment	2-	449,578	-	-	449,578	2,179	-	-	2,179	447,399
BB+	Standard	3+	371,249	8,183	-	379,432	2,963	98	-	3,061	376,371
BB	Standard	3	963,618	338,765	300	1,302,682	12,284	21,355	110	33,749	1,268,933
BB-	Standard	3-	75,664	23,363	23	99,050	4,107	2,194	6	6,307	92,742
B	Non-Investment	4	-	7	-	7	-	7	-	7	0
B-	Non-Investment	5	-	-	-	-	-	-	-	-	-
CCC	Non-Investment	6	-	-	25,579	25,579	-	-	10,367	10,367	15,212
C	Non-Investment	7	-	-	22,419	22,419	-	-	8,280	8,280	14,139
D	Non-Investment	8	-	-	13,715	13,715	-	-	7,452	7,452	6,263
			2,773,947	**372,998**	**62,035**	**3,208,979**	**23,946**	**23,658**	**26,215**	**73,818**	**3,135,162**

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	321,918	-	-	321,918	333	-	-	333	321,584
BB	Standard	3	543	116	-	658	10	8	-	17	641
D	Non-Investment	8	-	-	119	119	-	-	84	84	34
			322,461	**116**	**119**	**322,695**	**343**	**8**	**84**	**435**	**322,259**

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	169,615	-	-	169,615	1	-	-	1	169,614
BB	Standard	3	2,105,914	-	-	2,105,914	480	-	-	480	2,105,434
B	Non-Investment	4	6,909	7,591	-	14,501	124	735	-	860	13,641
			2,282,438	**7,591**	**-**	**2,290,030**	**605**	**735**	**-**	**1,341**	**2,288,689**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2021	Fair Value December 2021
AAA-A	Investment	1	1,413,492	152,076
A	Investment	2+	28,866	(1,045)
AA	Investment	2	18,583	152
BBB	Investment	2-	93,819	(2,084)
BB+	Standard	3+	3,234	(121)
BB	Standard	3	78,382	1,873
BB-	Standard	3-	45,956	646
Gross amount			**1,682,332**	**151,497**

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

Other Assets

External Rating Equivalent	Grade	Risk Rating	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying
AAA	Investment	1	1,375,597	-	-	1,375,597	44	-	-	44	1,375,554
AA	Investment	2+	18,154	-	-	18,154	6	-	-	6	18,148
A	Investment	2	80,437	-	-	80,437	4	-	-	4	80,433
BBB	Investment	2-	53,916	-	-	53,916	25	-	-	25	53,891
BB+	Standard	3+	9,204	-	-	9,204	43	-	-	43	9,161
BB	Standard	3	-	45,060	-	45,060	-	3,041	-	3,041	42,019
			1,537,308	**45,060**	**-**	**1,582,369**	**122**	**3,041**	**-**	**3,163**	**1,579,206**

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

Group
In millions of Naira

June 2022	**Total**	**Risk Rating 1-3**	**Risk Rating 4-5**	**Risk Rating 6**	**Risk Rating 7**	**Risk Rating 8**
Cash and balances with banks						
Current balances with banks	288,408	288,408	-	-	-	-
Unrestricted balances with central banks	84,564	84,564	-	-	-	-
Money market placements	65,001	63,320	1,681			
Other deposits with central banks	338,189	338,189				
Investment under management	36,155	36,155	-	-	-	-
Non-pledged trading assets						
Treasury bills	619,052	619,052	-	-	-	-
Bonds	42,332	42,332	-	-	-	-
Derivative financial instruments	118,936	118,936	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	280,162	280,162	-	-	-	-
Bonds	20,229	20,229				
-Financial instruments at amortized cost						
Treasury bills	155,879	155,879	-	-	-	-
Bonds	130,869	130,869	-	-	-	-
Promissory Notes	52,871	52,871	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	303,316	303,316	-	-	-	-
Bonds	955	955	-	-	-	-
Investment securities						
-Financial instruments at FVOCI						
Treasury bills	1,072,899	1,072,899	-	-	-	-
Bonds	410,204	362,212	47,992	-	-	-
Promissory Notes	12,310	12,310	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	357,294	357,294	-	-	-	-
Bonds	733,052	727,457	5,594	-	-	-
Promissory Notes	16,251	16,251	-	-	-	-
- Financial assets at FVPL						
Equity	165,337	165,337	-	-	-	-
Restricted deposit and other assets	2,076,121	2,076,121	-	-	-	-
	7,380,386	**7,325,120**	**55,268**	**-**	**-**	**-**

The rating here represents internal grade ratings

Group
In millions of Naira

December 2021	**Total**	**Risk Rating 1-3**	**Risk Rating 4-5**	**Risk Rating 6**	**Risk Rating 7**	**Risk Rating 8**
Cash and balances with banks						
Current balances with banks	386,479	386,479	-	-	-	-
Unrestricted balances with central banks	72,671	72,671	-	-	-	-
Money market placements	102,318	66,329	35,988	-	-	-
Other deposits with central banks	155,049	155,049	-	-	-	-
Investment under management	34,942	34,942	-	-	-	-
Non-pledged trading assets						
Treasury bills	802,305	802,305	-	-	-	-
Bonds	90,203	90,203	-	-	-	-
Derivative financial instruments	171,332	171,332	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI						
Treasury bills	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
-Financial instruments at amortized cost						
Treasury bills	191,501	191,501	-	-	-	-
Bonds	35,800	35,800	-	-	-	-
Promissory Notes	52,076	52,076	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	64,764	64,764	-	-	-	-
Bonds	419	419	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	434,106	434,106	-	-	-	-
Bonds	314,341	313,284	1,057	-	-	-
Promissory Notes	27,608	27,608	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	642,490	642,490	-	-	-	-
Bonds	672,676	660,071	12,604	-	-	-
Total return notes	-	-	-	-	-	-
Promissory Notes	15,785	15,785	-	-	-	-
- Financial assets at FVPL						
Equity	165,337	165,337	-	-	-	-
Restricted deposit and other assets	1,678,741	1,678,741	-	-	-	-
	6,110,941	**6,061,293**	**49,649**	**-**	**-**	**-**

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

Bank
In millions of Naira
June 2022

	Total	Risk Rating 1-3	Risk Rating 4-5	Risk Rating 6	Risk Rating 7	Risk Rating 8
Cash and balances with banks						
Current balances with banks	162,352	162,352	-	-	-	-
Unrestricted balances with central banks	875	875	-	-	-	-
Money market placements	1,688	6	1,681	-	-	-
Other deposits with central banks	338,189	338,189	-	-	-	-
Investment under management	36,155	36,155	-	-	-	-
Non-pledged trading assets						
Treasury bills	611,990	611,990	-	-	-	-
Bonds	20,790	20,790	-	-	-	-
Derivative financial instruments	106,425	106,425	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI			-	-	-	-
Treasury bills	280,162	280,162	-	-	-	-
Bonds	20,229	20,229				
-Financial instruments at amortized cost						
Treasury bills	155,879	155,879	-	-	-	-
Bonds	130,869	130,869	-	-	-	-
Promissory Notes	52,871	52,871	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	303,316	303,316	-	-	-	-
Bonds	955	955	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	646,148	646,148	-	-	-	-
Bonds	98,216	97,159	1,057	-	-	-
Promissory Notes	12,310	12,310	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	269,903	269,903	-	-	-	-
Bonds	538,457	525,853	12,604	-	-	-
Total return notes	-	-	-	-	-	-
Promissory Notes	16,251	16,251	-	-	-	-
- Financial assets at FVPL						
Equity	165,054	165,054	-	-	-	-
Restricted deposit and other assets	1,963,582	1,963,582	-	-	-	-
	5,932,665	**5,917,325**	**15,343**	**-**	**-**	**-**

The rating here represents internal grade ratings

Bank
In millions of Naira
December 2021

	Total	Risk Rating 1-3	Risk Rating 4-5	Risk Rating 6	Risk Rating 7	Risk Rating 8
Cash and balances with banks						
Current balances with banks	232,288	232,288	-	-	-	-
Unrestricted balances with central banks	1,057	1,057	-	-	-	-
Money market placements	78,489	42,501	35,988	-	-	-
Other deposits with central banks	155,049	155,049	-	-	-	-
Investment under management	34,942	34,942	-	-	-	-
Non-pledged trading assets						
Treasury bills	786,717	786,717	-	-	-	-
Bonds	17,089	17,089	-	-	-	-
Derivative financial instruments	161,439	161,439	-	-	-	-
Pledged assets						
-Financial instruments at FVOCI						
Treasury bills	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
-Financial instruments at amortized cost						
Treasury bills	191,501	191,501	-	-	-	-
Bonds	35,800	35,800	-	-	-	-
Promissory Notes	52,076	52,076	-	-	-	-
-Financial instruments at FVPL						
Treasury bills	64,764	64,764	-	-	-	-
Bonds	419	419	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	172,719	172,719	-	-	-	-
Bonds	98,216	97,159	1,057	-	-	-
Promissory Notes	27,608	27,608	-	-	-	-
- Financial assets at amortised cost						
Treasury bills	535,678	535,678	-	-	-	-
Bonds	538,457	525,853	12,604	-	-	-
Total return notes	-	-	-	-	-	-
Promissory Notes	15,785	15,785	-	-	-	-
- Financial assets at FVPL						
Equity	165,054	165,054	-	-	-	-
Restricted deposit and other assets	1,579,143	1,579,143	-	-	-	-
	4,944,288	**4,894,639**	**49,649**	**-**	**-**	**-**

5.1.3 Credit quality
(e) Credit quality by staging

Group
In millions of Naira
June 2022
Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,322	78	175	1,575	27	2	19	48	1,526
Credit Card	23,975	1,071	185	25,232	3,503	53	38	3,594	21,638
Finance Lease	808	55	122	985	-	-	-	-	985
Mortgage Loan	43,176	3,088	6,705	52,969	105	14	148	267	52,703
Overdraft	7,623	5,401	7,852	20,875	271	170	1,869	2,310	18,564
Personal Loan	222,314	10,445	23,536	256,293	649	18	10,912	11,578	244,715
Term Loan	43,799	7,479	5,621	56,898	850	114	449	1,414	55,485
Time Loan	2,567	182	336	3,085	18	1	7	27	3,058
	345,584	27,798	44,533	417,915	5,425	364	13,452	19,244	398,671

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	4,220	171	169	4,560	38	1	23	62	4,498
Credit Card	840	-	3	844	144	-	1	146	696
Finance Lease	3,009	131	330	3,470	9	-	18	26	3,447
Mortgage Loan	26,723	1,301	3,559	31,583	-	-	-	-	31,584
Overdraft	227,075	4,875	38,462	270,413	2,441	66	5,362	7,869	262,541
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	3,125,133	299,551	73,718	3,498,402	20,029	11,501	43,957	75,487	3,422,915
Time Loan	459,962	25,264	24,897	510,124	3,805	155	10,962	14,923	495,200
	3,846,964	331,292	141,138	4,319,395	26,475	11,724	60,324	98,513	4,220,882

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	-	-	119	119	-	-	54	54	64
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	307,459	-	-	307,459	285	-	-	285	307,175
Time Loan	-	-	-	-	-	-	-	-	-
	307,459	-	119	307,578	286	-	54	339	307,240

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

Bank
In millions of Naira
June 2022
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	676	34	78	788	27	2	19	49	739
Credit Card	23,975	1,071	185	25,232	3,503	53	38	3,594	21,637
Finance Lease	-	-	1	1	-	-	0	0	2
Mortgage Loan	2,464	309	600	3,374	105	14	148	266	3,110
Overdraft	5,523	5,257	7,537	18,318	271	170	1,869	2,310	16,007
Personal Loan	75,081	396	1,458	76,934	649	18	360	1,028	75,903
Term Loan	18,746	5,769	1,865	26,380	850	114	449	1,414	24,967
Time Loan	524	43	30	596	18	1	7	27	569
	126,980	12,880	11,755	151,620	5,425	372	2,893	8,689	142,939

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	4,220	171	169	4,560	38	1	23	62	4,497
Credit Card	840	-	3	844	144	-	1	145	698
Finance Lease	754	21	29	802	9	-	18	27	777
Mortgage Loan	108	-	-	108	-	-	-	-	107
Overdraft	183,495	2,745	32,635	218,875	2,441	66	5,362	7,869	211,006
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	2,824,683	284,863	33,546	3,143,094	18,195	10,139	6,084	34,418	3,108,675
Time Loan	289,511	16,932	2,107	308,551	3,805	155	10,962	14,922	293,628
	3,303,611	304,731	68,491	3,676,833	24,633	10,362	22,450	57,443	3,619,390

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	-	-	119	119	-	-	54	54	64
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	233,224	-	-	233,224	285	-	-	285	232,940
Time Loan	-	-	-	-	-	-	-	-	-
	233,224	-	119	233,343	285	-	54	339	233,004

There is no stage 3 exposure that has nill impairment for the period for the Group (Dec 2021: Nill). 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 millions of Naira
December 2021

Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	2,550	81	105	2,736	55	5	41	101	2,635
Credit Card	13,923	1,186	136	15,246	1,203	113	80	1,396	13,849
Finance Lease	-	-	18	18	-	-	-	-	18
Mortgage Loan	56,548	3,889	5,493	65,929	499	303	2,826	3,628	62,301
Overdraft	16,918	6,221	7,358	30,497	1,420	541	4,182	6,143	24,355
Personal Loan	243,543	11,886	16,272	271,702	4,369	990	7,942	13,300	258,401
Term Loan	22,012	3,705	2,364	28,082	822	219	1,372	2,413	25,669
Time Loan	1,427	316	71	1,814	80	24	48	152	1,662
	356,920	27,285	31,817	416,023	8,447	2,194	16,492	27,133	388,890

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	2,717	69	53	2,839	30	0	13	44	2,795
Credit Card	681	-	10	691	8	-	4	12	679
Finance Lease	871	50	69	991	13	0	16	29	961
Mortgage Loan	10,131	352	1,518	12,002	84	29	735	848	11,154
Overdraft	200,574	23,715	37,155	261,444	2,957	1,471	15,310	19,737	241,706
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	2,611,836	357,627	81,302	3,050,765	22,412	23,236	38,168	83,816	2,966,948
Time Loan	525,378	11,516	29,616	566,510	3,252	613	14,415	18,280	548,230
	3,352,189	393,328	149,724	3,895,241	28,756	25,350	68,662	122,767	3,772,474

Loans and advances to banks

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	ECL	Stage 3 ECL	Total ECL	Carrying amount
				-					
Auto Loan	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-
Finance Lease	-	-	-	-	-	-	-	-	-
Mortgage Loan	-	-	-	-	-	-	-	-	-
Overdraft	543	117	152	811	10	9	117	136	675
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	284,357	-	-	284,357	484	-	-	484	283,873
Time Loan	-	-	-	-	-	-	-	-	-
	284,900	117	152	285,168	493	9	117	620	284,548

Bank
In millions of Naira
December 2021
Loans and advances to retail customers

	Stage 1 Gross amount	Stage 2 Gross amount	Stage 3 Gross amount	Total Gross amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL	Carrying amount
Auto Loan	1,825	35	44	1,904	49	1	12	61	1,842
Credit Card	13,923	1,186	136	15,246	1,203	113	80	1,396	13,849
Finance Lease	-	-	18	18	-	-	-	-	18
Mortgage Loan	1,726	362	891	2,979	42	9	599	651	2,328
Overdraft	16,918	6,221	7,358	30,497	1,420	541	4,182	6,143	24,355
Personal Loan	64,208	349	1,221	65,777	2,877	29	656	3,562	62,215
Term Loan	11,933	3,057	1,518	16,508	738	165	962	1,866	14,642
Time Loan	1,427	316	71	1,814	80	24	48	152	1,662
	111,960	11,525	11,258	134,743	6,409	883	6,540	13,831	120,911

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	2,717	69	53	2,839	30	0	13	44	2,795
Credit Card	681	-	10	691	8	-	4	12	679
Finance Lease	871	50	69	991	13	0	16	29	961
Mortgage Loan	119	-	-	119	1	-	-	1	118
Overdraft	180,205	22,999	34,066	237,270	2,787	1,411	13,814	18,013	219,256
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	2,251,671	344,964	26,684	2,623,319	19,416	22,182	11,730	53,328	2,569,991
Time Loan	337,683	4,916	1,153	343,752	1,691	64	637	2,391	341,361
	2,773,947	372,998	62,035	3,208,980	23,946	23,658	26,215	73,818	3,135,162

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	543	116	119	777	10	8	84	102	675
Personal Loan	-	-	-	-	-	-	-	-	-
Term Loan	321,918	-	-	321,918	333	-	-	333	321,584
Time Loan	-	-	-	-	-	-	-	-	-
	322,461	116	119	322,695	343	8	84	435	322,259

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

Group

In millions of Naira

June 2022

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	345,584	27,798	44,533
ECL	(5,425)	(364)	(13,452)
Collateral held at fair value			
Property	34,749	14,359	9,015
Cash	8,349	937	6
Pledged goods/receivables	3,046	186	423
Others	41,496	10,310	14,170
Total	**87,640**	**25,790**	**23,614**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	3,846,964	331,292	141,138
ECL	(26,475)	(11,724)	(60,324)
Collateral held at fair value			
Property	1,032,124	51,186	49,582
Cash	733,509	805	48
Pledged goods/receivables	49,742	7,170	1,459
Others	10,199,640	671,275	247,200
Total	**12,015,015**	**730,435**	**298,288**
Total collateral held at fair value	**12,102,653**	**756,227**	**321,903**

Bank

In millions of Naira

June 2022

Loans to retail customers

	Stage 1	Stage 2	Stage 3
Gross amount	126,980	12,880	11,755
ECL	(5,425)	(372)	(2,893)
Collateral held at fair value			
Property	31,305	12,486	7,706
Cash	6,957	910	6
Pledged goods/receivables	3,046	186	423
Others	28,618	6,588	11,615
Total	**69,926**	**20,169**	**19,749**

Loans to corporate Customers

	Stage 1	Stage 2	Stage 3
Gross amount	3,303,611	304,731	68,491
ECL	(24,633)	(10,362)	(22,450)
Collateral held at fair value			
Property	915,336	39,511	41,132
Cash	686,764	587	48
Pledged goods/receivables	48,403	6,273	1,459
Others	9,985,158	667,375	189,517
Total	**11,635,661**	**713,746**	**232,155**
Total	**11,705,587**	**733,915**	**251,904**

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

Collateral held and other credit enhancements, and their financial effect

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

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

There are no collaterals held against other financial assets. The Group obtained a property during the year by taking possession of collateral held as security against a loan. The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations. Hence, the repossessed collateral has been included in assets classified as held for sale (Note 31).

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

Group
In millions of Naira

	December 2021		
Loans to retail customers			
	Stage 1	**Stage 2**	**Stage 3**
Gross amount	356,920	27,285	31,817
ECL	(8,447)	(2,194)	(16,492)
Collateral held at fair value			
Property	14,675	18,282	9,501
Equities	-	-	-
Cash	1,509	144	33
Pledged goods/receivables	198	10	5
Others	40,855	9,836	12,129
Total	**57,236**	**28,272**	**21,667**
Loans to corporate Customers			
	Stage 1	**Stage 2**	**Stage 3**
Gross amount	3,352,189	393,328	149,724
ECL	(28,756)	(25,350)	(68,662)
Collateral held at fair value			
Property	8,894,082	181,485	49,233
Equities	-	-	-
Cash	697,134	6,081	81
Pledged goods/receivables	38,690	8,808	1,120
Others	6,464,311	681,541	131,977
Total	**16,094,218**	**877,915**	**182,411**
Total collateral held at fair value	**16,151,454**	**906,187**	**204,078**

Bank
In millions of Naira

	December 2021		
Loans to retail customers			
	Stage 1	**Stage 2**	**Stage 3**
Gross amount	111,960	11,525	11,258
ECL	(6,409)	(883)	(6,540)
Collateral held at fair value			
Property	7,932	9,882	5,136
Equities	-	-	-
Cash	1,509	144	33
Pledged goods/receivables	107	5	3
Others	38,599	9,615	11,955
Total	**48,147**	**19,646**	**17,126**
Loans to corporate Customers			
	Stage 1	**Stage 2**	**Stage 3**
Gross amount	2,773,947	372,998	62,035
ECL	(23,946)	(23,658)	(26,215)
Collateral held at fair value			
Property	7,115,266	145,188	39,386
Equities	-	-	-
Cash	649,185	6,081	81
Pledged goods/receivables	30,952	7,047	896
Others	6,299,895	666,519	128,911
Total	**14,095,297**	**824,834**	**169,274**
Total collateral held at fair value	**14,143,444**	**844,480**	**186,400**

5.1.5 (a) Credit concentration

The Group's risk profile is assessed through a 'bottom-up' analytical approach covering all of the Group's major businesses and products. The risk appetite is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix.

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of net credit risk at the reporting date is shown below:

Group

By Sector

June 2022

In millions of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	1,193,112	-	-	-	1,193,112
Investment under management	4,804	-	24,794	-	5,486	-	35,084
Non pledged trading assets							
Treasury bills	-	-	-	-	619,052	-	619,052
Bonds	-	-	6,471	-	13,533	-	20,004
Equity	-	-	-	-	-	-	-
Derivative financial instruments	4,291	508	4,913	1,776	92,118	-	103,606
Loans and advances to banks	-	-	307,239	-	-	-	307,239
Loans and advances to customers							
Auto Loan	2	1,788	-	4,235	-	-	6,025
Credit Card	17	671	-	21,648	-	-	22,336
Finance Lease	6	1,981	-	2,441	-	-	4,428
Mortgage Loan	-	1,179	-	83,106	-	-	84,284
Overdraft	109,302	140,364	-	31,442	-	-	281,108
Personal Loan	-	-	-	244,715	-	-	244,715
Term Loan	1,364,232	1,704,604	-	46,512	363,052	-	3,478,399
Time Loan	220,653	265,779	-	3,597	8,230	-	498,259
Pledged assets							
Treasury bills	-	-	-	-	732,417	-	732,417
Bonds	-	-	-	-	137,154	-	137,154
Promissory Notes	-	-	-	-	51,655	-	51,655
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	1,057,138	-	1,057,138
Bonds	16,411	-	-	-	393,441	-	409,852
Promissory Notes	-	-	-	-	3,003	-	3,003
-Financial assets at amortised cost						-	
Treasury bills	-	-	358,401	-	-	-	358,401
Bonds	25,043	-	-	545,397	-	-	570,440
Promissory Notes	-	-	-	-	5,594	-	5,594
Restricted deposit and other assets	107,700	10,194	1,636,949	258,352	64,244	6,080	2,083,519
Total	**1,852,461**	**2,127,068**	**3,531,879**	**1,243,221**	**3,546,118**	**6,080**	**12,306,825**
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	194,320	289,751	35,315	39,201	-	-	558,586
Clean line facilities for letters of credit and other commitments	373,042	120,638	-	318,089	-	-	811,769
Total	**567,362**	**410,389**	**35,315**	**357,289**	**-**	**-**	**1,370,355**

Group
By Sector

December 2021

In millions of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	1,487,665	-	-	-	1,487,665
Investment under management	5,905	-	23,601	-	5,435	-	34,942
Non pledged trading assets							
Treasury bills	-	-	-	-	802,305	-	802,305
Bonds	-	-	76,677	-	13,526	-	90,203
Equity	-	-	-	-	-	-	-
Derivative financial instruments	575	5,602	1,666	1,892	147,643	-	157,379
Loans and advances to banks	-	-	284,548	-	-	-	284,548
Loans and advances to customers							
Auto Loan	217	1,694	-	3,519	-	-	5,430
Credit Card	16	559	-	13,961	-	-	14,536
Finance Lease	42	630	-	307	-	-	979
Mortgage Loan	2,315	8,726	-	62,414	-	-	73,455
Overdraft	47,559	176,039	-	42,465	-	-	266,064
Personal Loan	-	-	-	258,392	-	-	258,392
Term Loan	1,093,133	1,545,979	-	32,693	320,812	-	2,992,617
Time Loan	273,629	262,590	-	3,739	9,935	-	549,892
Pledged assets							
Treasury bills	-	-	-	-	256,241	-	256,241
Bonds	-	-	-	-	36,219	-	36,219
Promissory Notes	-	-	-	-	52,076	-	52,076
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	-	-	-
Bonds	-	-	-	-	434,106	-	434,106
Promissory Notes	16,248	-	-	-	298,093	-	314,341
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	642,490	-	642,490
Total Return Notes	-	-	-	-	-	-	-
Bonds	221,659	-	-	451,017	-	-	672,675
Promissory Notes	-	-	-	-	15,785	-	15,785
Restricted deposit and other assets	90,917	726	96,460	5,083	1,478,586	7,031	1,678,804
Total	**1,752,216**	**2,002,545**	**1,970,618**	**875,481**	**4,513,253**	**7,031**	**11,121,144**

Credit risk exposures relating to other credit commitments at gross amount are as follows:	Corporate	Commercial	Bank	Retail	Government	Others	Total
Transaction related bonds and guarantees	156,046	311,689	16,197	34,628	-	-	518,560
Clean line facilities for letters of credit and other commitments	347,409	205,982	10,534	54,884	-	-	618,809
	-	-	-	-	-	-	
Total	**503,456**	**517,671**	**26,731**	**89,512**	**-**	**-**	**1,137,369**

5.1.5(a)i Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.

By geography

Group
June 2022
In millions of Naira

	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	171,125	332,489	679,873	9,624	1,193,112
Investment under management	11,618	3,955	19,510	-	35,084
Non pledged trading assets					
Treasury bills	619,052	-	-	-	619,052
Bonds	6,471	-	13,533	-	20,004
Equity	-	-	-	-	-
Derivative financial instruments	99,860	3,488	158	99	103,606
Loans and advances to banks	66	27,644	279,529	-	307,239
Loans and advances to customers					
Auto Loan	5,237	788	-	-	6,025
Credit Card	22,336	-	-	-	22,336
Finance Lease	777	3,651	-	-	4,428
Mortgage Loan	3,214	34,039	47,031	-	84,284
Overdraft	227,013	54,015	80	-	281,108
Personal Loan	75,906	168,809	-	-	244,715
Term Loan	3,133,641	226,664	118,095	-	3,478,399
Time Loan	294,197	35,058	169,004	-	498,259
Pledged assets					
Treasury bills	732,417	-	-	-	732,417
Bonds	137,154	-	-	-	137,154
Promissory Notes	51,655	-	-	-	51,655
Investment securities					
-Financial assets at FVOCI					
Treasury bills	630,387	426,751	-	-	1,057,138
Bonds	226,835	167,674	15,343	-	409,852
Promissory Notes	3,003	-	-	-	3,003
-Financial assets at amortised cost					
Treasury bills	-	-	358,401	-	358,401
Bonds	563,784	6,656	-	-	570,440
Promissory Notes	5,594	-	-	-	5,594
Restricted deposit and other assets	197,528	69,410	4,441	57,658	329,037
Total	**7,218,873**	**1,561,091**	**1,704,999**	**67,381**	**10,552,343**

	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	497,269	60,848	470	-	558,586
Clean line facilities for letters of credit and other commitments	576,964	234,805	-	-	811,769
Total	**1,074,233**	**295,652**	**470**	**-**	**1,370,355**

By geography

Group
December 2021
In millions of Naira

	Nigeria	Rest of Africa	Europe	Others	Total
Cash and balances with banks	686,016	176,512	624,308	829	1,487,665
Investment under management	12,609	5,403	16,930	-	34,942
Non pledged trading assets					
Treasury bills	802,305	-	-	-	802,305
Bonds	76,677	-	13,526	-	90,203
Equity	-	-	-	-	-
Derivative financial instruments	148,535	7,649	1,195	-	157,379
Loans and advances to banks	675	42,479	241,394	-	284,548
Loans and advances to customers					
Auto Loan	4,637	793	-	-	5,430
Credit Card	14,536	-	-	-	14,536
Finance Lease	979	-	-	-	979
Mortgage Loan	2,446	26,636	44,372	-	73,455
Overdraft	243,614	22,449	1	-	266,064
Personal Loan	62,205	196,187	-	-	258,392
Term Loan	2,584,633	259,889	148,095	-	2,992,617
Time Loan	343,023	24,472	182,397	-	549,892
Pledged assets					
Treasury bills	256,241	-	-	-	256,241
Bonds	36,219	-	-	-	36,219
Promissory Notes	52,076	-	-	-	52,076
Investment securities					
-Financial assets at FVOCI					
Treasury bills	172,719	261,387	-	-	434,106
Bonds	98,216	203,914	12,211	-	314,341
Promissory Notes	27,608	-	-	-	27,608
-Financial assets at amortised cost					
Treasury bills	535,678	106,812	-	-	642,490
Total Return Notes	-	-	-	-	-
Bonds	665,829	6,846	-	-	672,675
Promissory Notes	15,785	-	-	-	15,785
Restricted deposit and other assets	1,439,752	231,897	7,156	-	1,678,804
Total	**8,283,014**	**1,573,325**	**1,291,584**	**829**	**11,148,753**

	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	448,678	55,491	14,390	-	518,560
Clean line facilities for letters of credit and other commitments	437,456	19,181	162,172	-	618,809
Total	**886,134**	**74,672**	**176,562**	**-**	**1,137,369**

Credit risk management

5.1.5 (b) By Sector

Bank
June 2022
In millions of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	848,799	-	-	-	848,799
Investment under management	4,804	-	24,794	-	5,486	-	35,084
Non pledged trading assets							
Treasury bills	-	-	-	-	611,990	-	611,990
Bonds	-	-	(15,071)	-	13,533	-	(1,538)
Equity	-	-	-	-	-	-	-
Derivative financial instruments	1,796	36	1,457	665	90,046	-	94,000
Loans and advances to banks	-	-	233,004	-	-	-	233,004
Loans and advances to customers							
Auto Loan	2	1,788	-	3,447	-	-	5,237
Credit Card	17	671	-	21,648	-	-	22,336
Finance Lease	6	330	-	441	-	-	777
Mortgage Loan	-	108	-	3,106	-	-	3,214
Overdraft	89,302	110,364	-	27,348	-	-	227,013
Personal Loan	-	-	-	75,906	-	-	75,906
Term Loan	1,234,232	1,503,845	-	32,512	363,052	-	3,133,641
Time Loan	154,653	128,718	-	2,596	8,230	-	294,197
Pledged assets							
Treasury bills	-	-	-	-	732,417	-	732,417
Bonds	-	-	-	-	137,154	-	137,154
Promissory Notes	-	-	-	-	51,655	-	51,655
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	630,387	-	630,387
Bonds	16,411	-	-	-	210,424	-	226,835
Promissory Notes	-	-	-	-	3,003	-	3,003
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	-	-	-
Bonds	17,460	-	8,827	-	370,015	-	396,303
Promissory Notes	-	-	-	-	5,594	-	5,594
Restricted deposit and other assets	90,688	11,496	108,074	13,146	48,795	2,168	274,367
Total	**1,609,371**	**1,757,356**	**1,209,885**	**180,814**	**3,281,782**	**2,168**	**8,041,375**
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	163,998	288,642	15,260	31,936	-	-	499,837
Clean line facilities for letters of credit and other commitments	368,812	109,005	-	99,148	-	-	576,964
Total	**532,810**	**397,647**	**15,260**	**131,084**	**-**	**-**	**1,076,801**

By Sector

Bank
December 2021
In millions of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	1,068,976	-	-	-	1,068,976
Investment under management	5,905	-	23,601	-	5,435	-	34,942
Non pledged trading assets							
Treasury bills	-	-	-	-	786,717	-	786,717
Bonds	-	-	3,563	-	13,526	-	17,089
Equity	-	-	-	-	-	-	-
Derivative financial instruments	1,591	5	2,246	12	147,643	-	151,497
Loans and advances to banks	-	-	322,259	-	-	-	322,259
Loans and advances to customers		-	-				
Auto Loan	217	1,694	-	2,726	-	-	4,637
Credit Card	16	559	-	13,961	-	-	14,536
Finance Lease	42	630	-	307	-	-	979
Mortgage Loan	-	5	-	2,441	-	-	2,446
Overdraft	42,849	158,300	-	42,465	-	-	243,614
Personal Loan	-	-	-	62,205	-	-	62,205
Term Loan	1,019,875	1,232,306	-	21,667	310,785	-	2,584,633
Time Loan	230,226	99,123	-	3,739	9,935	-	343,023
Pledged assets							
Treasury bills	-	-	-	-	256,241	-	256,241
Bonds	-	-	-	-	36,219	-	36,219
Promissory Notes	-	-	-	-	52,076	-	52,076
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	-	-	172,719	-	172,719
Bonds	16,248	-	-	-	81,968	-	98,216
Promissory Notes	-	-	-	-	27,608	-	27,608
-Financial assets at amortised cost							
Treasury bills	-	-	-	-	535,678	-	535,678
Total Return Notes	-	-	-	-	-	-	-
Bonds	8,820	-	207,220	-	323,366	-	539,406
Promissory Notes	-	-	-	-	15,785	-	15,785
Restricted deposit and other assets	85,224	163	68,611	4,588	1,416,702	3,917	1,579,206
Total	**1,411,015**	**1,492,785**	**1,696,476**	**154,111**	**4,192,403**	**3,917**	**8,950,707**

	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	145,934	273,548	14,884	14,312	-	-	448,678
Clean line facilities for letters of credit and other commitments	321,168	107,001	7,125	2,162	-	-	437,456
							-
Total	**467,102**	**380,550**	**22,009**	**16,474**	**-**	**-**	**886,134**

5.1.5 (b)i By geography

Bank **June 2022** *In millions of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	109,191	199,315	534,580	5,713	848,799
Investment under management	11,618	3,955	19,510	-	35,084
Non pledged trading assets					
Treasury bills	611,990	-	-	-	611,990
Bonds	(1,538)	-	-	-	(1,538)
Equity	-	-	-	-	-
Derivative financial instruments	93,553	306	42	99	94,001
Loans and advances to banks	66	27,644	205,294	-	233,004
Loans and advances to customers					
Auto Loan	5,237	-	-	-	5,237
Credit Card	22,336	-	-	-	22,336
Finance Lease	777	-	-	-	777
Mortgage Loan	3,214	-	-	-	3,214
Overdraft	227,013	-	-	-	227,013
Personal Loan	75,906	-	-	-	75,906
Term Loan	3,133,641	-	-	-	3,133,641
Time Loan	294,197	-	-	-	294,197
Pledged assets	-	-	-	-	
Treasury bills	732,417	-	-	-	732,417
Bonds	137,154	-	-	-	137,154
Promissory Notes	51,655	-	-	-	51,655
Investment securities					
-Financial assets at FVOCI					
Treasury bills	630,387	-	-	-	630,387
Bonds	226,835	-	-	-	226,835
Promissory Notes	3,003	-	-	-	3,003
-Financial assets at amortised cost					
Treasury bills	271,011	-	-	-	271,011
Bonds	281,324	-	114,978	-	396,303
Promissory Notes	5,594	-	-	-	5,594
Restricted deposit and other assets	185,256	31,474	12	57,625	274,367
Total	**7,111,839**	**262,694**	**874,417**	**63,437**	**8,312,387**
Credit risk exposures relating to other credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	497,269	2,098	470	-	499,837
Clean line facilities for letters of credit and other commitments	576,964	-	-	-	576,964
Total	**1,074,233**	**2,098**	**470**	**-**	**1,076,801**

By geography

Bank **December 2021** *In millions of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	744,040	1,327	323,610	-	1,068,976
Investment under management	12,609	5,403	16,930	-	34,942
Non pledged trading assets					
Treasury bills	786,717	-	-	-	786,717
Bonds	17,089	-	-	-	17,089
Equity	-	-	-	-	-
Derivative financial instruments	148,437	3,045	15	-	151,497
Loans and advances to banks	675	42,479	279,105	-	322,259
Loans and advances to customers					
Auto Loan	4,637	-	-	-	4,637
Credit Card	14,536	-	-	-	14,536
Finance Lease	979	-	-	-	979
Mortgage Loan	2,446	-	-	-	2,446
Overdraft	243,614	-	-	-	243,614
Personal Loan	62,205	-	-	-	62,205
Term Loan	2,584,633	-	-	-	2,584,633
Time Loan	343,023	-	-	-	343,023
Pledged assets					
Treasury bills	256,241	-	-	-	256,241
Bonds	36,219	-	-	-	36,219
Promissory Notes	52,076	-	-	-	52,076
Investment securities					
-Financial assets at FVOCI					
Treasury bills	172,719	-	-	-	172,719
Bonds	98,216	-	-	-	98,216
Promissory Notes	27,608	-	-	-	27,608
-Financial assets at amortised cost					
Treasury bills	535,678	-	-	-	535,678
Total Return Notes	-	-	-	-	-
Bonds	424,427	-	114,978	-	539,406
Promissory Notes	15,785	-	-	-	15,785
Restricted deposit and other assets	1,391,091	188,115	-	-	1,579,206
Total	**7,975,701**	**240,368**	**734,638**	**-**	**8,950,707**

Credit risk exposures relating to other credit commitments at gross amount are as follows:

Transaction related bonds and guarantees	448,678	-	-	-	448,678
Clean line facilities for letters of credit and other	437,456	-	-	-	437,456
Total	**886,134**	**-**	**-**	**-**	**886,134**

Market risk management

5.2.1 Interest rate gap position

Repricing gap measures the difference between the Bank's interest sensitive assets and liabilities within certain maturity ranges. Differences between these assets and liabilities pose as potential losses from unexpected changes in interest rate. Negative Gaps represent situations when assets are less than liabilities and the Bank is exposed to an increase in interest rates. Where assets are more than liabilities this can be described as positive gap and the Bank is exposed to decline in interest rates.

The results above shows a negative gap of N5.22billion (Bank: N385.6Mn) 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 millions of Naira **June 2022**	**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	65,001	112,185	120,068	-	-	937,779	1,235,033
Investment under management	29,626	-	-	-	6,529	-	36,155
Non pledged trading assets							
Treasury bills	1,860	360,518	249,742	-	-	-	612,121
Bonds	80	369	8,328	12,342	-	-	21,119
Loans and advances to banks	0	32,271	222,174	52,794	-	-	307,239
Loans and advances to customers							
Auto Loan	1	-	652	5,372	-	-	6,025
Credit Card	128	-	19	22,189	-	-	22,336
Finance Lease	-	1	1,065	3,362	-	-	4,428
Mortgage Loan	-	-	-	1,797	82,488	-	84,284
Overdraft	100,749	13,924	162,844	3,591	-	-	281,108
Personal Loan	809	5,906	106,483	111,563	19,955	-	244,715
Term Loan	213,118	100,669	221,764	1,114,823	1,828,025	-	3,478,399
Time Loan	91,912	147,953	238,161	13,492	6,741	-	498,259
Pledged assets							-
Treasury bills	113,469	233,815	436,788	-	-	-	784,072
Bonds	-	-	29,314	68,218	39,623	-	137,154
Promissory notes	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	5,144	-	709,510	-	-	-	714,655
Bonds	-	51,353	163,651	393,539	315,632	-	924,174
Promissory notes	-	-	-	12,310	-	-	12,310
-Financial assets at amortised cost							
Treasury bills	58,245	243,036	30,270	-	-	-	331,550
Bonds	10,369	31,107	123,362	189,956	441,355	-	796,149
Promissory notes	-	-	-	8,432	9,027	-	17,459
Restricted deposit and other assets	-	-	-	-	-	2,153,679	2,153,679
	690,509	**1,333,107**	**2,824,195**	**2,013,780**	**2,749,373**	**3,091,457**	**12,702,424**
Non-derivative liabilities							
Deposits from financial institutions	1,972,560	54,289	139,991	-	-	-	2,166,839
Deposits from customers	3,940,589	243,668	80,034	11,663	699	3,554,306	7,830,958
Other liabilities	-	-	-	-	-	621,167	621,167
Debt securities issued	-	-	-	284,330	-	-	284,330
Interest bearing borrowings	2,259	-	13,320	540,511	409,199	-	965,288
	5,915,408	**297,957**	**233,344**	**836,503**	**409,898**	**4,175,473**	**11,868,582**
Total interest re-pricing gap	(5,224,899)	1,035,150	2,590,850	1,177,277	2,339,476	(1,084,015)	833,842

Group	**Re-pricing year**						
In millions of Naira **December 2021**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	102,503	-	-	-	-	1,385,162	1,487,665
Investment under management	28,197	-	-	-	6,745	-	34,942
Non pledged trading assets							
Treasury bills	50,802	3,493	748,010	-	-	-	802,305
Bonds	-	4,842	-	54,268	31,093	-	90,203
Loans and advances to banks	108	47,091	237,349	-	-	-	284,548
Loans and advances to customers							
Auto Loan	0	-	55	5,252	123	-	5,430
Credit Card	10,228	10	35	4,245	18	-	14,536
Finance Lease	-	0	28	951	-	-	979
Mortgage Loan	-	-	19	405	73,030	-	73,455
Overdraft	146,979	25,082	83,526	10,476	-	-	266,064
Personal Loan	54,443	6	98,147	101,949	3,847	-	258,392
Term Loan	43,334	38,637	65,445	1,001,744	1,843,457	-	2,992,617
Time Loan	48,510	38,723	434,225	24,811	3,624	-	549,892
Pledged assets							
Treasury bills	16,767	224,074	15,424	-	-	-	256,265
Bonds	-	-	3,366	32,853	-	-	36,219
Promissory notes	-	-	-	43,848	-	-	43,848
Investment securities							
-Financial assets at FVOCI							
Treasury bills	86,118	39,431	308,558	-	-	-	434,106
Bonds	1,691	-	-	50,184	262,466	-	314,341
Promissory notes	494	16,914	-	10,200	-	-	27,608
-Financial assets at amortised cost							
Treasury bills	100,143	141,021	401,326	-	-	-	642,490
Bonds	18,016	-	-	129,828	524,831	-	672,675
Promissory notes	-	-	-	15,785	-	-	15,785
Total return notes	-	-	-	-	-	-	-
Restricted deposit and other assets	-	-	-	-	-	1,678,741	1,678,741
	708,333	**579,325**	**2,395,513**	**1,486,797**	**2,749,235**	**3,063,903**	**10,983,105**
Non-derivative liabilities							
Deposits from financial institutions	1,112,441	439,486	144,594	-	-	-	1,696,521
Deposits from customers	3,658,633	362,183	338,586	15,209	95,559	2,484,657	6,954,827
Other liabilities	-	-	-	-	-	556,144	556,144
Debt securities issued	-	-	-	264,495	-	-	264,495
Interest bearing borrowings	230,398	300,242	23,461	515,585	101,573	-	1,171,260
	5,001,472	**1,101,911**	**506,642**	**795,289**	**197,132**	**3,040,801**	**10,643,247**
Total interest re-pricing gap	(4,293,139)	(522,586)	1,888,871	691,508	2,552,103	23,102	339,858

5.2.1 A summary of the Bank's interest rate gap position on securitty portfolios is as follows:

Bank

In millions of Naira	Re-pricing year						
June 2022	**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	1,687	-	-	-	-	892,835	894,523
Investment under management	29,627	-	-	-	6,529	-	36,155
Non- pledged trading assets							
Treasury bills	1,860	360,518	242,681	-	-	-	605,059
Bonds	-	16	822	-	(8,573)	-	(7,734)
Loans and advances to banks	-	32,313	148,192	52,499	-	-	233,004
Loans and advances to customers							
Auto Loan	1	-	52	5,184	-	-	5,236
Credit Card	128	-	19	22,189	-	-	22,336
Finance Lease	-	-	14	763	-	-	777
Mortgage Loan	-	-	-	727	2,487	-	3,214
Overdraft	98,709	10,424	114,289	3,591	-	-	227,013
Personal Loan	7	6	67,425	4,114	4,355	-	75,906
Term Loan	213,118	100,669	221,764	794,395	1,803,694	-	3,133,641
Time Loan	66,400	48,903	158,661	13,492	6,741	-	294,197
Pledged assets							
Treasury bills	113,469	233,815	436,788	-	-	-	784,072
Bonds	-	-	29,314	68,218	39,623	-	137,154
Promissory note	-	-	-	-	-	-	-
Investment securities							
-Financial assets at FVOCI							
Treasury bills	-	-	597,193	-	-	-	597,193
Bonds	-	2,091	15,863	221,120	192,475	-	431,550
Promissory note	-	-	-	12,310	-	-	12,310
-Financial assets at amortised cost							
Treasury bills	40,083	230,928	-	-	-	-	271,011
Bonds	-	-	61,148	138,112	389,510	-	588,770
Promissory note	-	-	-	8,432	9,027	-	17,459
Restricted deposit and other assets	-	-	-	-	-	2,030,469	2,030,469
	565,088	**1,019,684**	**2,094,219**	**1,345,145**	**2,445,870**	**2,923,303**	**10,393,318**
Non-derivative liabilities							
Deposits from financial institutions	1,654,207	45,527	117,398	-	-	-	1,817,132
Deposits from customers	2,796,533	135,276	44,436	11,663	699	3,422,868	6,411,474
Other liabilities	-	-	-	-	-	544,750	544,750
Debt securities	-	-	-	280,734	-	-	280,734
Interest bearing borrowings	2,000	-	11,793	478,563	362,301	-	854,658
	4,452,741	**180,803**	**173,626**	**770,961**	**363,000**	**3,967,617**	**9,908,750**
Total interest re-pricing gap	(3,887,654)	838,885	1,920,601	574,185	2,082,870	(1,044,314)	484,569

Bank

In millions of Naira	Re-pricing year						
December 2021	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	78,550	-	-	-	-	990,426	1,068,976
Investment under management	28,197	-	-	-	6,745	-	34,942
Non- pledged trading assets							
Treasury bills	40,915	3,055	742,747	-	-	-	786,717
Bonds	-	577	-	9,255	7,257	-	17,089
Loans and advances to banks	108	47,091	275,061	-	-	-	322,259
Loans and advances to customers							
Auto Loan	0	-	55	4,459	123	-	4,637
Credit Card	10,228	10	35	4,245	18	-	14,536
Finance Lease	-	0	28	951	-	-	979
Mortgage Loan	-	-	19	405	2,022	-	2,446
Overdraft	139,495	17,599	76,043	10,476	-	-	243,614
Personal Loan	54,443	6	53	3,855	3,847	-	62,205
Term Loan	43,334	38,637	65,445	593,760	1,843,457	-	2,584,633
Time Loan	48,510	38,723	227,355	24,811	3,624	-	343,023
Pledged assets							
Treasury bills	16,767	224,074	15,424	-	-	-	256,265
Bonds	-	-	3,366	32,853	-	-	36,219
Promissory notes	-	-	-	43,848	-	-	43,848
Investment securities							
-Financial assets at FVOCI							
Treasury bills	31,419	14,386	126,914	-	-	-	172,719
Bonds	489	-	-	14,518	83,208	-	98,216
Promissory note	494	17,653	-	10,200	-	-	28,347
-Financial assets at amortised cost							
Treasury bills	92,397	130,114	313,167	-	-	-	535,678
Bonds	15,207	-	-	109,586	430,398	-	555,191
Promissory note	-	-	-	15,785	-	-	15,785
Total return notes	-	-	-	-	-	-	-
Restricted deposit and other assets	-	-	-	-	-	1,579,143	1,579,143
	600,555	**531,925**	**1,845,712**	**879,006**	**2,380,699**	**2,569,569**	**8,807,466**
Non-derivative liabilities							
Deposits from financial institutions	943,196	360,804	118,708	-	-	-	1,422,707
Deposits from customers	2,904,674	287,048	268,346	12,054	75,735	1,969,212	5,517,069
Other liabilities	-	-	-	-	-	491,743	491,743
Debt securities	-	-	-	260,644	-	-	260,644
Interest bearing borrowings	210,992	274,953	21,485	471,987	93,018	-	1,072,435
	4,058,861	**922,805**	**408,539**	**744,686**	**168,753**	**2,460,955**	**8,764,598**
Total interest re-pricing gap	(3,458,306)	(390,880)	1,437,173	134,321	2,211,947	108,614	42,868

Market risk management

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

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

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

June 2022	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS				
Cash and balances with banks	65,001	-	1,170,114	1,235,115
Non pledged trading assets	661,385	-	-	661,385
Derivative financial instruments	-	-	118,936	118,936
Loans and advances to banks	307,240	-	-	307,240
Loans and advances to customers	28,373	4,591,183	-	4,619,556
Pledged assets		-	-	-
Treasury bills	739,357	-	-	739,357
Bonds	152,053	-	-	152,053
Promissory notes	52,871	-	-	52,871
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	1,072,899	-	-	1,072,899
Bonds	410,204	-	-	410,204
Promissory notes	12,310	-	-	12,310
-Financial assets at amortised cost				
Treasury bills	357,294	-	-	357,294
Bonds	732,185	-	-	732,185
Promissory notes	16,250	-	-	16,250
TOTAL	**4,607,422**	**4,591,183**	**1,289,050**	**10,487,655**
LIABILITIES				
Deposits from financial institutions	2,075,416	-	-	2,075,416
Deposits from customers	3,095,099	4,744,276	-	7,839,375
Derivative financial instruments	-	-	15,331	15,331
Debt securities issued	284,354	-	-	284,354
Interest-bearing borrowings	1,143,524	120,679	-	1,264,203
TOTAL	**6,598,393**	**4,864,955**	**15,331**	**11,478,678**

December 2021	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS				
Cash and balances with banks	102,503	-	1,385,348	1,487,851
Non pledged trading assets	892,508	-	-	892,508
Derivative financial instruments	-	-	171,332	171,332
Loans and advances to banks	284,548	-	-	284,548
Loans and advances to customers	30,196	4,131,167	-	4,161,364
Pledged assets				
Treasury bills	256,265	-	-	256,265
Bonds	36,219	-	-	36,219
Promissory notes	52,076	-	-	52,076
Investment securities:				
-Financial assets at FVOCI				
Treasury bills	434,106	-	-	434,106
Bonds	314,341	-	-	314,341
Promissory notes	27,608	-	-	27,608
-Financial assets at amortised cost				
Treasury bills	642,490	-	-	642,490
Bonds	670,670	-	-	670,670
Promissory notes	15,785	-	-	15,785
TOTAL	**3,759,316**	**4,131,167**	**1,556,679**	**9,447,163**

LIABILITIES				
Deposits from financial institutions	1,696,521	-	-	1,696,521
Deposits from customers	2,895,246	4,059,581	-	6,954,827
Derivative financial instruments	-	-	13,953	13,953
Debt securities issued	264,495	-	-	264,495
Interest-bearing borrowings	1,002,389	168,870	-	1,171,260
TOTAL	**5,858,652**	**4,228,451**	**13,953**	**10,101,055**

Bank

June 2022	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS				
Cash and balances with banks	1,688	-	892,840	894,527
Non pledged trading assets	632,781	-	-	632,781
Derivative financial instruments	-	-	106,425	106,425
Loans and advances to banks	233,004	-	-	233,004
Loans and advances to customers	14,905	3,747,416	-	3,762,322
Pledged assets				
Treasury bills	739,357	-	-	739,357
Bonds	152,053	-	-	152,053
Promissory notes	52,871	-	-	52,871
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	646,148	-	-	646,148
Bonds	241,851	-	-	241,851
Promissory notes	12,310	-	-	12,310
-Financial assets at amortised cost				
Treasury bills	269,903	-	-	269,903
Bonds	567,872	-	-	567,872
Promissory notes	16,251	-	-	16,251
TOTAL	**3,580,994**	**3,747,416**	**999,265**	**8,327,675**
LIABILITIES				
Deposits from financial institutions	1,725,708	-	-	1,725,708
Deposits from customers	2,440,582	3,979,308	-	6,419,890
Derivative financial instruments	-	-	12,425	12,425
Debt securities issued	280,758	-	-	280,758
Interest-bearing borrowings	1,060,684	92,889	-	1,153,572
TOTAL	5,507,732	4,072,197	12,425	9,592,354

December 2021	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS				
Cash and balances with banks	78,550	-	990,487	1,069,037
Non pledged trading assets	803,806	-	-	803,806
Derivative financial instruments	-	-	161,439	161,439
Loans and advances to banks	322,259	-	-	322,259
Loans and advances to customers	14,961	3,241,111	-	3,256,073
Pledged assets				
Treasury bills	256,265	-	-	256,265
Bonds	36,219	-	-	36,219
Promissory notes	52,076	-	-	52,076
Investment securities:				
-Financial assets at FVOCI				
Treasury bills	172,719	-	-	172,719
Bonds	125,824	-	-	125,824
Promissory notes	27,608	-	-	27,608
-Financial assets at amortised cost				
Treasury bills	535,678	-	-	535,678
Bonds	554,183	-	-	554,183
Promissory notes	15,785	-	-	15,785
TOTAL	**2,995,934**	**3,241,111**	**1,151,927**	**7,388,972**
LIABILITIES				
Deposits from financial institutions	1,422,707	-	-	1,422,707
Deposits from customers	2,148,479	3,368,589	-	5,517,069
Derivative financial instruments	-	-	9,943	9,943
Debt securities issued	260,644	-	-	260,644
Interest-bearing borrowings	934,009	138,426	3,410	1,075,845
TOTAL	4,765,840	3,507,015	13,353	8,286,208

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

Interest rate risk
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing (note 5.2.1) that may be undertaken, which is monitored daily by Group Treasury.

Cash flow and fair value interest rate risk
The group's interest rate risk arises from risk assets, long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

(i) Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.

(ii) Fair value reserves arising from increases or decreases in fair value through other comprehensive income financial instruments report directly in other comprehensive income.

Group
Interest sensitivity analysis- June 2022
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'm)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	(193)	193
6 months	3,476	(3,476)
12 months	14,431	(14,431)
	17,714	**(17,714)**

Interest sensitivity analysis- December 2021
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'm)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	31,924	(31,924)
6 months	2,940	(2,940)
12 months	(4,774)	4,774
	30,090	**(30,090)**

Bank
Interest sensitivity analysis - June 2022
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	(93)	93
6 months	2,354	(2,354)
12 months	9,541	(9,541)
	11,802	**(11,802)**

Interest sensitivity analysis - December 2021
Impact on net interest income of +/-100 basis points changes in rates over a one year (N'000)

	Cash flow interest rate risk	
Time Band	**100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	25,716	(25,716)
6 months	2,202	(2,202)
12 months	(3,649)	3,649
	24,269	**(24,269)**

The table above sets out the impact on net interest income of a 100 basis points parallel fall or rise in all yields. A parallel increase in yields by 100 basis points would lead to an increase in net interest income while a parallel fall in yields by 100 basis points would lead to a decline in net interest income. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all positions will be retained and rolled over upon maturity. The figures represent the effect of movements in net interest income based on the 100 basis point shift in interest rate and subject to the current interest rate exposures. However, the effect has not taken into account the possible risk management measures undertaken by the Bank to mitigate interest rate risk. In practice, the Assets and Liability Committee, ALCO seeks proactively to change the interest rate risk profile to minimize losses and optimise net revenues. The projections also assume that interest rates on various maturities will move within similar ranges, and therefore do not reflect any potential effect on net interest income in the event that some interest rates may change and others remain unchanged.

Price sensitivity analysis on bonds, promissory notes and treasury bills

The table below shows the impact of likely movement in yields on the value of bonds and treasury bills. This relates to the positions held for fair value through profit or loss 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 fair value through profit or loss investments is on the income statement while the impact of fair value through other comprehensive income instruments is on the statement of other comprehensive income.

Group

June 2022	**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	28,799	(758)	(1,392)
Fair value through profit or loss: T-bills	619,052	(4,767)	(9,535)
Fair value through profit or loss: Eurobond	13,533	(1,489)	(7,714)
Fair value through profit or loss: Bonds - Pledged	955	(2,363)	(4,647)
Fair value through profit or loss: T-bills - Pledged	303,316	(33,365)	(172,890)
Fair value through profit or loss: Promissory notes - Pledged	-	-	-
	965,656	(42,741)	(196,178)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	407,246	(8,841)	(16,731)
-Financial assets at FVOCI-Tbills	1,072,899	(5,575)	(11,149)
-Financial assets at FVOCI-Promissory notes	12,310	(143)	(284)
Financial assets at FVOCI - Bonds - Pledged	20,229	(2,225)	(3,237)
Financial assets at FVOCI - T-Bills - Pledged	280,162	(4,855)	(9,710)
Financial assets at FVOCI - Promissory notes - Pledged	-	-	-
	1,792,845	(21,639)	(41,111)
TOTAL	**2,758,501**	**(64,381)**	**(237,288)**

December 2021	**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	76,677	(635)	(1,247)
Fair value through profit or loss: T-bills	802,305	(136)	(273)
Fair value through profit or loss: Eurobond	13,526	-	-
Fair value through profit or loss: Bonds - Pledged	419	(3)	(7)
Fair value through profit or loss: T-bills - Pledged	64,764	(92)	(184)
	957,691	(866)	(1,711)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	314,341	(4,217)	(8,287)
-Financial assets at FVOCI-Tbills	434,106	(227)	(453)
-Financial assets at FVOCI-Promissory notes	27,608	(23)	(46)
Financial assets at FVOCI - Bonds - Pledged	-	-	-
Financial assets at FVOCI - T-Bills - Pledged	-	-	-
	776,056	(4,467)	(8,786)
TOTAL	**1,733,746**	**(5,334)**	**(10,496)**

Bank

June 2022	**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	7,257	496	1,387
Fair value through profit or loss: T-bills	611,990	(3,236)	(6,471)
Fair value through profit or loss: Eurobond	13,533	-	-
Fair value through profit or loss: Bonds - Pledged	955	(2,363)	(4,647)
Fair value through profit or loss: T-bills - Pledged	303,316	-	-
Fair value through profit or loss: Promissory notes - Pledged	-	-	-
	937,052	(5,102)	(9,731)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	226,582	(830)	(1,689)
-Financial assets at FVOCI-Tbills	646,148	(5,234)	(10,468)
-Financial assets at FVOCI-Promissory notes	12,310	(143)	(284)
Financial assets at FVOCI - Bonds - Pledged	20,229	-	-
Financial assets at FVOCI - T-Bills - Pledged	280,162	(4,855)	(9,710)
Financial assets at FVOCI - Promissory notes - Pledged	-	-	-
	1,185,431	(11,062)	(22,151)
TOTAL	**2,122,483**	**(16,164)**	**(31,882)**

December 2021	Carrying Value	Impact of 50 basis points increase in yields	Impact of 100 basis points increase in yields
Impact on Statement of Comprehensive Income			
Fair value through profit or loss: Bonds	3,563	(41)	(79)
Fair value through profit or loss: T-bills	786,717	(226)	(451)
Fair value through profit or loss: Eurobond	13,526	(368)	(718)
Fair value through profit or loss: Bonds - Pledged	419	(736)	(1,431)
Fair value through profit or loss: T-bills - Pledged	64,764	(1)	(2)
Fair value through profit or loss: Promissory notes - Pledged	-	-	-
	868,988	(1,372)	(2,682)
Impact on Other Comprehensive Income			
-Financial assets at FVOCI-Bonds	98,216	(2,384)	(4,660)
-Financial assets at FVOCI-Tbills	172,719	(213)	(426)
-Financial assets at FVOCI-Promissory notes	27,608	(23)	(46)
Financial assets at FVOCI - Bonds - Pledged	-	-	-
Financial assets at FVOCI - T-Bills - Pledged	-	-	-
	298,544	(2,620)	(5,131)
TOTAL	**1,167,532**	**(3,992)**	**(7,813)**

Foreign currency sensitivity analysis
The Group's principal foreign currency exposure is to US Dollars, as it constitutes a significant portion of the Group's foreign currency exposure as at 30 June 2022. The table below illustrates the hypothetical sensitivity of the Group and Bank's reported profit to a 5% increase in the US Dollar/Naira exchange rates at the period end, assuming all other variables remain unchanged. The sensitivity rate of 5% increase represents the directors' assessment of a reasonable possible change based on historic volatility.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective fair value hedge affects the income statement and the fair value of the hedging derivatives. For foreign exchange derivatives which are not designated hedges, movements in exchange rates impact the income statement.

Group

In thousands of naira	**Impact on statement of comprehensive income June 2022**
Naira weakens by 5%	(39,246)

In thousands of naira	**Impact on statement of comprehensive income December 2021**
Naira weakens by 5%	10,519

Bank

In thousands of naira	**Impact on statement of comprehensive income June 2022**
Naira weakens by 5%	4,783

	Impact on statement of comprehensive income December 2021
Naira weakens by 5%	8,354

The NGN/USD exchange rate applied in the conversion of balances as at period end is N421.29/USD1 (2021: N424.11/USD1). The strengthening or weakening of Naira may not produce symmetrical results depending on the proportion and nature of balance sheet and the impact of derivatives.

Market Risk for Hedging instruments	**June 2022**	**December 2021**
Total exposure to foreign exchange risk	**N'm**	**N'm**
Derivative assets (fair value hedge)	94,431	149,917
Interest bearing loans and borrowings	(494,824)	(546,928)
Deposits from other financial institutions	(671,547)	(799,015)

The Bank uses foreign currency forwards to hedge its exposure to foreign currency risk on the US dollar denominated interest bearing loans and deposits for financial institutions. Under the Bank's policy, the critical terms of the forward should align closely with the hedged items.
The Bank only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. The forward points are discounted and are recognised in the profit or loss.

5.2. The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency
Group

In millions of Naira

June 2022	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	1,235,033	335,056	548,900	196,890	75,863	78,323
Investment under management	36,155	32,576	3,580	-	-	-
Non-pledged trading assets						
Treasury bills	619,052	611,990	-	-	-	7,062
Bonds	42,332	7,257	35,075	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	118,936	106,425	2,541	2	-	9,967
Loans and advances to banks	307,240	67	279,529	-	-	27,644
Loans and advances to customers						
Auto Loan	6,025	5,237	-	-	-	788
Credit Card	22,336	18,727	3,610	-	-	-
Finance Lease	4,428	777	-	-	-	3,651
Mortgage Loan	84,284	3,214	-	47,031	-	34,039
Overdraft	281,108	200,568	26,445	80	-	54,015
Personal Loan	244,715	75,775	131	-	-	168,809
Term Loan	3,478,399	2,477,027	642,760	118,164	13,199	227,249
Time Loan	498,259	148,963	145,234	-	35,058	169,004
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	280,162	280,162	-	-	-	-
Bonds	20,229	20,229	-	-	-	-
Promissory notes	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	155,879	155,879	-	-	-	-
Bonds	130,869	130,869	-	-	-	-
Promissory notes	52,871	52,871	-	-	-	-
-Financial assets at FVPL						
Treasury bills	303,316	303,316	-	-	-	-
Bonds	955	955	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	1,072,899	646,148	104,864	-	-	321,887
Bonds	407,246	110,856	123,828	-	-	172,561
Promissory notes	2,958	2,958	-	-	-	-
-Financial assets at FVPL						
Equity	162,836	35,646	126,149	1,041	-	-
-Financial assets at amortised cost						
Treasury bills	357,294	269,903	59,408	-	-	27,982
Total return notes	-	-	-	-	-	-
Bonds	733,051	346,914	215,921	-	-	170,216
Promissory notes	16,251	16,251	-	-	-	-
Restricted deposit and other assets	2,076,122	1,652,297	350,791	1,510	2	71,522
	12,751,240	**8,048,916**	**2,668,765**	**364,718**	**124,122**	**1,544,720**

Deposits from financial institutions	2,075,416	400,732	1,563,117	6,942	12,858	91,767
Deposits from customers	7,839,374	5,080,741	2,381,195	224,978	34,837	117,622
Derivative financial instruments	15,331	12,425	457	66	10	2,372
Other liabilities	626,566	435,837	171,737	4,735	5,568	8,690
Debt securities issued	284,354	47,249	233,509	-	-	3,596
Interest bearing borrowings	1,264,203	658,749	590,475	-	1,715	13,264
	12,105,244	**6,635,733**	**4,940,490**	**236,721**	**54,988**	**237,311**
Off balance sheet exposures:						
Transaction related bonds and guarantees	558,586	371,897	118,593	3,213	56,563	8,320
Clean line facilities for letters of credit and other commitments	811,769	85	764,669	1,254	27,902	17,859
Future, swap and forward contracts						
	1,370,355	**371,982**	**883,263**	**4,467**	**84,465**	**26,179**

*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 millions of Naira

December 2021	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	1,487,665	288,567	861,878	241,082	65,380	30,758
Investment under management	34,942	31,057	3,885	-	-	-
Non-pledged trading assets						
Treasury bills	802,305	786,717	-	-	-	15,588
Bonds	90,203	3,563	13,526	-	-	73,114
Equity	-	-	-	-	-	-
Derivative financial instruments	171,332	161,439	4,125	84	-	5,684
Loans and advances to banks	284,548	675	283,873	-	-	-
Loans and advances to customers						
Auto Loan	5,430	4,637	-	-	-	793
Credit Card	14,536	11,340	3,196	-	-	-
Finance Lease	979	979	-	-	-	-
Mortgage Loan	73,455	2,446	-	50,269	-	20,739
Overdraft	266,064	219,471	22,700	1,444	68	22,380
Personal Loan	258,392	62,081	124	-	-	196,187
Term Loan	2,992,617	2,224,276	598,576	731	8,102	160,931
Time Loan	549,892	242,558	298,991	-	2,286	6,056

Pledged assets						
-Financial assets at FVOCI						
Treasury bills	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Promissory notes	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	191,501	191,501	-	-	-	-
Bonds	35,800	35,800	-	-	-	-
Promissory notes	52,076	52,076	-	-	-	-
-Financial assets at FVPL						
Treasury bills	64,764	64,764	-	-	-	-
Bonds	419	419	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	434,106	172,719	-	-	-	261,387
Bonds	314,341	84,388	21,930	-	-	208,023
Promissory notes	28,347	28,347	-	-	-	-
-Financial assets at FVPL						
Equity	166,410	35,761	129,604	1,045	-	-
-Financial assets at amortised cost						
Treasury bills	1,377,150	1,270,337	85,607	-	-	21,205
Total return notes	-	-	-	-	-	-
Bonds	672,675	332,186	215,277	-	-	125,212
Promissory notes	15,785	15,785	-	-	-	-
Restricted deposit and other assets	1,678,373	1,304,731	280,111	2,001	1	91,529
	12,064,105	**7,628,623**	**2,823,401**	**296,656**	**75,837**	**1,239,588**
Deposits from financial institutions	1,696,521	265,637	1,402,795	10,124	10,999	6,966
Deposits from customers	6,954,827	4,395,078	1,380,260	241,847	36,368	901,274
Derivative financial instruments	13,953	11,046	441	0	172	2,293
Other liabilities	556,144	366,812	126,489	6,523	5,558	50,762
Debt securities issued	264,495	46,789	213,856	-	-	3,851
Interest bearing borrowings	1,171,260	525,507	635,816	-	-	9,937
	10,657,200	**5,610,869**	**3,759,656**	**258,494**	**53,096**	**975,084**
Off balance sheet exposures						
Transaction related bonds and guarantees	518,560	316,571	130,201	16	61,418	10,354
Clean line facilities for letters of credit and other commitments	618,809	40	600,741	7,265	7,890	2,873
	1,137,369	**316,611**	**730,942**	**7,280**	**69,309**	**13,226**

5.2. The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Bank
In millions of Naira

June 2022	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	894,524	335,056	499,293	13,590	43,004	3,580
Investment under management	36,155	32,576	3,580	-	-	-
Non-pledged trading assets						
Treasury bills	611,990	611,990	-	-	-	-
Bonds	20,790	7,257	13,533	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	106,425	106,425	-	-	-	-
Loans and advances to banks	233,004	66	232,939	-	-	-
Loans and advances to customers						
Auto Loan	5,237	5,237	-	-	-	-
Credit Card	22,336	18,727	3,610	-	-	-
Finance Lease	777	777	-	-	-	-
Mortgage Loan	3,214	3,214	-	-	-	-
Overdraft	227,013	200,568	26,445	-	-	-
Personal Loan	75,906	75,775	131	-	-	-
Term Loan	3,133,641	2,477,027	641,265	1,564	13,199	585
Time Loan	294,197	148,963	145,234	-	-	-
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	280,162	280,162	-	-	-	-
Bonds	20,229	20,229	-	-	-	-
Promissory notes	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	155,879	155,879	-	-	-	-
Bonds	130,869	130,869	-	-	-	-
Promissory notes	52,871	52,871	-	-	-	-
-Financial assets at FVPL						
Treasury bills	303,316	303,316	-	-	-	-
Bonds	955	955	-	-	-	-
Investment securities						
-Financial assets at FVOCI						
Treasury bills	646,148	646,148	-	-	-	-
Bonds	226,582	110,856	115,726	-	-	-
Promissory notes	2,958	2,958	-	-	-	-
-Financial assets at FVPL						
Equity	162,556	35,646	126,910	-	-	-
-Financial assets at amortised cost						
Treasury bills	269,903	269,903	-	-	-	-
Total return notes	-	-	-	-	-	-

Bonds	552,256	346,914	205,342	-	-	-
Promissory notes	16,251	16,251	-	-	-	-
Restricted deposit and other assets	1,963,582	1,652,297	311,151	135	0	0
	10,449,726	**8,048,915**	**2,325,158**	**15,288**	**56,203**	**4,166**
Deposits from financial institutions	1,725,708	400,732	1,320,715	28	3,680	553
Deposits from customers	6,419,891	5,080,741	1,306,095	18,274	14,780	0
Derivative financial instruments	12,425	12,425	-	-	-	-
Other liabilities	552,745	435,837	110,929	125	4,949	906
Debt securities issued	280,758	47,249	233,509	-	-	-
Interest bearing borrowings	1,153,572	658,749	494,824	-	-	-
	10,145,099	**6,635,733**	**3,466,072**	**18,427**	**23,408**	**1,459**
Off balance sheet exposures:						
Transaction related bonds and guarantees	499,837	371,897	72,767	14	55,158	-
Clean line facilities for letters of credit and other commitments	576,964	85	541,745	714	21,050	13,369
	1,076,801	**371,982**	**614,512**	**729**	**76,208**	**13,369**

Financial instruments by currency

Bank
In millions of Naira

December 2021	**Total**	**Naira**	**US**	**GBP**	**Euro**	**Others**
Cash and balances with banks	1,068,976	288,567	699,119	26,625	51,318	3,347
Investment under management	34,942	31,057	3,885	-	-	-
Non-pledged trading assets						
Treasury bills	786,717	786,717	-	-	-	-
Bonds	17,089	3,563	13,526	-	-	-
Equity	-	-	-	-	-	-
Derivative financial instruments	161,439	161,439	-	-	-	-
Loans and advances to banks	322,259	675	321,584	-	-	-
Loans and advances to customers						
Auto Loan	4,637	4,637	-	-	-	-
Credit Card	14,536	11,340	3,196	-	-	-
Finance Lease	979	979	-	-	-	-
Mortgage Loan	2,446	2,446	-	-	-	-
Overdraft	243,614	219,471	22,700	1,443	-	-
Personal Loan	62,205	62,081	124	-	-	-
Term Loan	2,584,633	2,224,276	351,912	335	8,102	9
Time Loan	343,023	242,558	100,465	-	-	-
Pledged assets						
-Financial assets at FVOCI						
Treasury bills	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Promissory notes	-	-	-	-	-	-
-Financial assets at amortised cost						
Treasury bills	191,501	191,501	-	-	-	-
Bonds	35,800	35,800	-	-	-	-
Promissory notes	52,076	52,076	-	-	-	-
-Financial assets at FVPL						
Treasury bills	64,764	64,764	-	-	-	-
Bonds	419	419	-	-	-	-
Investment securities						
-Financial assets at FVOCI						

Treasury bills	172,719	172,719	-	-	-	-
Bonds	98,216	84,388	13,828	-	-	-
Promissory notes	28,347	28,347	-	-	-	-
-Financial assets at FVPL		-	-			
Equity	166,126	35,761	130,365	-	-	-
-Financial assets at amortised cost		-	-			
Treasury bills	1,270,337	1,270,337	-	-	-	-
Total return notes	-	-	-	-	-	-
Bonds	539,406	332,186	207,220	-	-	-
Promissory notes	15,785	15,785	-	-	-	-
Restricted deposit and other assets	2,475,335	1,304,731	273,578	897,026	-	-
	10,758,327	**7,628,623**	**2,141,500**	**925,429**	**59,420**	**3,356**
Deposits from financial institutions	1,422,707	265,637	1,154,683	28	2,343	17
Deposits from customers	5,517,068	4,395,078	1,085,974	19,251	16,766	-
Derivative financial instruments	9,943	9,943	-	-	-	-
Other liabilities	491,743	367,484	117,376	230	5,514	1,139
Debt securities issued	260,644	46,789	213,856	-	-	-
Interest bearing borrowings	1,072,435	525,507	546,928	-	-	-
	8,774,540	**5,610,437**	**3,118,816**	**19,509**	**24,623**	**1,156**
Off balance sheet exposures						
Transaction related bonds and guarantees	448,678	316,571	71,311	16	60,780	-
Clean line facilities for letters of credit and other commitments [1]	437,456	40	402,629	307	27,003	7,477
	886,134	**316,611**	**473,940**	**323**	**87,783**	**7,477**

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 three month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks and debt securities issued by federal government, which can be readily sold to meet liquidity requirements.
In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

5.3.1 **Residual contractual maturities of financial assets and liabilities**

Group **June 2022** *In millions of Naira*	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	1,235,033	1,419,098	1,268,913	102,870	47,314	-	-
Investment under management	36,155	36,155	17,002	-	12,624	2,949	3,580
Non-pledged trading assets							
Treasury bills	619,052	635,556	3,697	462,389	169,470	-	-
Bonds	42,332	64,518	-	17	922	33,317	30,262
Derivative financial instruments	118,936	118,936	335	38,285	80,315	-	-
Loans and advances to banks	307,240	307,578	0	32,313	222,427	52,837	-
Loans and advances to customers							
Auto Loan	6,025	6,135	2	-	653	5,480	-
Credit Card	22,336	26,075	135	-	20	25,921	-
Finance Lease	4,428	4,455	-	2	1,066	3,387	-
Mortgage Loan	84,284	84,552	-	-	-	1,924	82,628
Overdraft	281,108	291,288	103,002	12,571	123,454	52,260	-
Personal Loan	244,716	256,294	811	5,906	106,839	122,380	20,358
Term Loan	3,478,399	3,555,300	213,448	101,103	224,874	1,128,683	1,887,192
Time Loan	498,259	513,209	92,164	148,266	252,451	13,568	6,759
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	280,162	290,871	-	-	290,871	-	-
Bonds	20,229	27,843	-	-	-	27,843	-
-Financial instruments at amortised cost							
Treasury bills	155,879	290,871	-	-	290,871	-	-
Bonds	130,869	27,843	-	-	-	27,843	-
Promissory note	52,871	-	-	-	-	-	-
-Financial instruments at FVPL							
Treasury bills	303,316	311,366	-	228,050	83,316	-	-
Bonds	955	2,399	-	-	-	-	2,399
Investment securities							
-Financial assets at FVOCI							
Treasury bills	1,072,899	1,103,111	341,616	108,571	652,924	-	-
Bonds	407,246	564,774	-	2,202	25,099	182,829	354,644
Promissory note	12,310	13,974	-	140	-	13,834	-

-Financial assets at amortised cost							
Treasury bills	357,294	358,050	92,085	265,965	-	-	-
Bonds	733,051	1,237,198	31,301	-	370,975	219,550	615,372
Promissory note	16,249	17,328	-	-	-	17,328	-
Restricted deposit and other assets	2,076,121	2,076,188	156,582	68,088	20,808	-	1,830,710
	12,597,755	**13,640,964**	**2,321,093**	**1,576,740**	**2,977,295**	**1,931,933**	**4,833,904**
Deposits from financial institutions	2,075,416	2,378,686	1,775,192	479,230	124,265	-	-
Deposits from customers	7,839,374	9,659,588	6,792,612	1,111,859	1,746,196	8,922	-
Derivative financial instruments	15,331	15,331	657	12,312	2,362	-	-
Other liabilities	626,558	620,538	47,367	422,662	89,338	17,370	43,801
Debt securities issued	284,354	388,826	-	-	-	388,826	-
Interest bearing borrowings	1,264,203	1,448,935	5,461	675	346,706	306,319	789,774
	12,105,235	**14,511,904**	**8,621,289**	**2,026,737**	**2,308,866**	**721,437**	**833,575**
Gap (asset - liabilities)	492,520	(870,939)	(6,300,196)	(449,998)	668,430	1,210,496	4,000,329
Cumulative liquidity gap			(6,300,196)	(6,750,194)	(6,081,764)	(4,871,268)	(870,939)
Off-balance sheet							
Transaction related bonds and guarantees	558,586	558,586	25,823	40,926	93,811	168,817	229,210
Clean line facilities for letters of credit and other commitments	811,769	811,769	448,830	164,078	121,418	77,442	-
	1,370,355	**1,370,354**	**474,654**	**205,004**	**215,229**	**246,259**	**229,210**

Group **December 2021** *In millions of Naira*	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	1,487,665	1,487,747	1,487,747	-	-	-	-
Investment under management	34,942	34,942	5,535	-	22,662	2,861	3,885
Non-pledged trading assets							
Treasury bills	802,305	838,679	61,599	50,643	726,437	-	-
Bonds	90,203	104,099	-	-	-	83,108	20,991
Derivative financial instruments	171,332	171,332	64,702	8,633	76,718	21,279	-
Loans and advances to banks	284,548	285,168	116	47,123	237,930	-	-
Loans and advances to customers							
Auto Loan	5,430	5,575	2	-	56	5,393	125
Credit Card	14,536	15,937	11,215	11	51	4,641	19
Finance Lease	979	1,008	-	0	37	971	-
Mortgage Loan	73,455	77,931	-	-	20	799	77,112
Overdraft	266,064	291,941	155,655	29,754	94,317	12,215	-
Personal Loan	258,392	271,702	56,924	17	103,055	107,343	4,363
Term Loan	2,992,617	3,078,846	43,525	38,794	65,828	1,046,595	1,884,105
Time Loan	549,892	568,324	48,604	39,016	451,444	25,578	3,683
Pledged assets							
-Financial instruments at amortised cost							
Treasury bills	191,501	192,481	56,800	-	135,681	-	-
Bonds	35,800	59,228	3,259	-	-	1,409	54,560
Promissory note	52,076	56,842	-	-	-	56,842	-
-Financial instruments at FVPL							
Treasury bills	64,764	65,259	65,259	-	-	-	-
Bonds	419	716	-	-	-	-	716
Investment securities							
-Financial assets at FVOCI							
Treasury bills	434,106	437,683	328,833	40,198	68,652	-	-
Bonds	314,341	440,542	429	-	-	50,973	389,140
Promissory note	27,608	28,228	500	27,438	-	291	-
-Financial assets at amortised cost							
Treasury bills	642,490	645,400	109,290	98,487	437,622	-	-
Bonds	672,675	796,377	49,036	-	20,147	228,819	498,376
Promissory note	15,785	17,328	-	-	-	17,328	-
Restricted deposit and other assets	1,678,741	1,678,804	91,365	90,853	30,172	-	1,466,414
	11,162,665	**11,652,117**	**2,640,393**	**470,967**	**2,470,828**	**1,666,442**	**4,403,488**
Deposits from financial institutions	1,696,521	1,720,728	1,284,164	346,672	89,892	-	-
Deposits from customers	6,954,827	6,973,221	6,071,201	529,593	362,234	10,193	-
Derivative financial instruments	13,953	13,953	6,564	2,790	4,316	283	-
Other liabilities	556,144	556,144	364,442	122,320	69,383	-	-
Debt securities issued	264,495	370,149	-	-	-	370,149	-
Interest bearing borrowings	1,171,260	1,342,410	4,687	579	304,066	355,234	677,844
	10,657,200	**10,976,605**	**7,731,057**	**1,001,955**	**829,890**	**735,859**	**677,844**
Gap (asset - liabilities)	505,466	675,512	(5,090,664)	(530,987)	1,640,938	930,582	3,725,644
Cumulative liquidity gap			(5,090,664)	(5,621,652)	(3,980,714)	(3,050,132)	675,512
Off-balance sheet							
Transaction related bonds and guarantees	518,560	518,560	46,096	95,677	61,595	165,961	149,231
Clean line facilities for letters of credit and other commitments	618,809	618,809	186,520	333,736	63,839	34,714	-
	1,137,369	**1,137,369**	**232,615**	**429,413**	**125,435**	**200,675**	**149,231**

5.3.1 Residual contractual maturities of financial assets and liabilities

Bank June 2022 *In millions 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	894,524	1,078,592	932,055	102,870	43,667	-	-
Investment under management	36,155	36,154	17,002	-	12,624	2,949	3,580
Non-pledged trading assets							
Treasury bills	611,990	628,494	3,697	455,327	169,470	-	-
Bonds	20,790	42,975	-	17	922	12,805	29,232
Derivative financial instruments	106,425	106,425	333	38,079	68,013	-	-
Loans and advances to banks	233,004	233,343	-	32,313	148,192	52,837	-
Loans and advances to customers							
Auto Loan	5,237	5,238	1	-	52	5,184	-
Credit Card	22,336	22,336	128	-	19	22,189	-
Finance Lease	777	776	-	-	14	763	-
Mortgage Loan	3,214	3,215	-	-	-	727	2,487
Overdraft	227,013	227,013	98,709	10,424	114,289	3,591	-
Personal Loan	75,906	75,907	7	6	67,425	4,114	4,355
Term Loan	3,133,641	3,133,641	213,118	100,669	221,764	794,395	1,803,694
Time Loan	294,197	294,198	66,400	48,903	158,661	13,492	6,741
Pledged assets							
-Financial instruments at FVOCI							
Treasury bills	280,162	290,871	-	-	290,871	-	-
Bonds	20,229	27,843	-	-	-	27,843	-
-Financial instruments at amortised cost							
Treasury bills	155,879	156,203	113,835	42,368	-	-	-
Bonds	130,869	170,424	-	-	33,295	97,197	39,933
Promissory note	52,871	56,842	-	-	-	56,842	-
-Financial instruments at FVPL							
Treasury bills	303,316	311,366	-	228,050	83,316	-	-
Bonds	955	2,399	-	-	-	-	2,399
Investment securities							
-Financial assets at FVOCI							
Treasury bills	646,148	676,360	20,099	3,337	652,924	-	-
Bonds	226,582	384,112	-	2,202	25,099	28,730	328,080
Promissory note	12,310	13,974	-	140	-	13,834	-
-Financial assets at amortised cost							
Treasury bills	269,903	270,660	81,329	189,331	-	-	-
Bonds	552,256	723,701	1,160	-	33,715	73,455	615,372
Promissory note	16,251	17,328	-	-	-	17,328	-
Restricted deposit and other assets	1,963,582	1,963,648	114,681	66,545	20,808	-	1,761,614
	10,296,525	**10,954,037**	**1,662,554**	**1,320,581**	**2,145,141**	**1,228,276**	**4,597,487**
Deposits from financial institutions	1,725,708	1,977,878	1,476,072	398,479	103,326	-	-
Deposits from customers	6,419,891	8,220,240	6,335,165	746,155	1,129,998	8,922	-
Derivative financial instruments	12,425	12,424	630	11,796	-	-	-
Other liabilities	552,745	552,744	409,062	-	5,454	94,428	43,801
Debt securities issued	280,758	392,423	-	-	-	392,423	-
Interest bearing borrowings	1,153,572	1,322,138	4,983	616	316,365	279,513	720,661
	10,145,099	**12,477,848**	**8,225,912**	**1,157,045**	**1,555,144**	**775,285**	**764,461**
Gap (asset - liabilities)	151,426	(1,523,811)	(6,563,358)	163,536	589,998	452,991	3,833,026
Cumulative liquidity gap			(6,563,358)	(6,399,822)	(5,809,824)	(5,356,833)	(1,523,808)
Off balance-sheet							
Transaction related bonds and guarantees	499,833	499,837	18,559	40,400	92,233	149,261	199,384
Clean line facilities for letters of credit and other commitments	576,961	576,965	214,026	164,078	121,418	77,442	-
	1,076,795	**1,076,803**	**232,585**	**204,478**	**213,651**	**226,704**	**199,384**

Bank **December 2021** *In millions of Naira*	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	1,068,976	1,069,058	1,069,058	-	-	-	-
Investment under management	34,942	34,942	5,535	-	22,662	2,861	3,885
Non-pledged trading assets							
Treasury bills	786,717	823,091	61,599	35,055	726,437	-	-
Bonds	17,089	31,366	-	-	-	14,333	17,033
Derivative financial instruments	161,439	161,439	64,702	8,633	66,826	21,279	-
Loans and advances to banks	322,259	322,695	116	47,123	275,456	-	-
Loans and advances to customers							
Auto Loan	4,637	4,743	2	-	56	4,561	125
Credit Card	14,536	15,937	11,215	11	51	4,641	19
Finance Lease	979	1,008	-	0	37	971	-
Mortgage Loan	2,446	3,098	-	-	20	799	2,279
Overdraft	243,614	267,767	147,597	21,696	86,259	12,215	-
Personal Loan	62,205	65,777	56,924	17	92	4,381	4,363
Term Loan	2,584,633	2,639,827	43,525	38,794	65,828	607,575	1,884,105
Time Loan	343,023	345,566	48,604	39,016	228,685	25,578	3,683
Pledged assets							
-Financial instruments at amortised cost							
Treasury bills	191,501	192,481	56,800	-	135,681	-	-
Bonds	35,800	59,228	3,259	-	-	1,409	54,560
Promissory note	52,076	56,842	-	-	-	56,842	-
-Financial instruments at FVPL							
Treasury bills	64,764	65,259	65,259	-	-	-	-
Bonds	419	716	-	-	-	-	716
Investment securities							
-Financial assets at FVOCI							
Treasury bills	172,719	176,296	67,446	40,198	68,652	-	-
Bonds	98,216	219,653	429	-	-	19,534	199,691
Promissory note	27,608	28,228	500	27,438	-	291	-
-Financial assets at amortised cost							
Treasury bills	535,678	538,587	92,537	98,487	347,563	-	-
Credit linked notes	-	-	-	-	-	-	-
Bonds	539,406	663,108	16,395	-	-	148,336	498,376
Promissory note	15,785	17,328	-	-	-	17,328	-
Restricted deposit and other assets	1,579,143	1,579,206	52,231	90,189	30,172	-	1,406,614
	8,960,610	**9,383,245**	**1,863,731**	**446,657**	**2,054,478**	**942,932**	**4,075,447**
Deposits from financial institutions	1,422,707	1,446,915	994,119	331,673	121,123	-	-
Deposits from customers	5,517,069	5,535,462	5,245,150	259,344	20,775	10,193	-
Derivative financial instruments	9,943	9,943	6,564	2,790	306	283	-
Other liabilities	491,743	491,743	354,650	89,860	47,232	-	-
Debt securities issued	260,644	366,299	-	-	-	366,299	-
Interest bearing borrowings	1,072,435	1,342,410	4,687	579	304,066	355,234	677,844
	8,774,541	**9,192,771**	**6,605,170**	**684,246**	**493,502**	**732,009**	**677,844**
Gap (asset - liabilities)	186,070	190,474	(4,741,439)	(237,589)	1,560,976	210,923	3,397,603
Cumulative liquidity gap			(4,741,439)	(4,979,028)	(3,418,052)	(3,207,129)	190,474
Off balance-sheet							
Transaction related bonds and guarantees	448,678	448,678	42,463	29,428	61,595	165,961	149,231
Clean line facilities for letters of credit and other commitments	437,456	437,456	167,339	171,564	63,839	34,714	-
	886,134	**886,134**	**209,802**	**200,993**	**125,435**	**200,675**	**149,231**

5.3.2

Group *In millions of Naira*	June 2022 Within 12 months	After 12 months	Total	December 2021 Within 12 months	After 12 months	Total
Cash and balances with banks	1,235,033	-	**1,235,033**	1,487,665	-	**1,487,665**
Investments under management	29,626	6,529	**36,154**	28,197	6,745	**34,942**
Non pledged trading assets						
Treasury bills	612,120	-	**612,120**	802,305	-	**802,305**
Bonds	8,777	12,342	**21,119**	4,842	85,361	**90,203**
Derivative financial instruments	91,812	27,124	**118,936**	104,481	66,748	**171,229**
Loans and advances to banks	254,445	52,794	**307,239**	284,548	-	**284,548**
Loans and advances to customers						
Auto Loan	653	5,372	**6,025**	55	5,375	**5,430**
Credit Card	147	22,189	**22,336**	10,273	4,263	**14,536**
Finance Lease	1,066	3,362	**4,428**	28	951	**979**
Mortgage Loan	-	84,284	**84,284**	19	73,435	**73,455**
Overdraft	228,962	52,146	**281,108**	255,587	10,476	**266,064**
Personal Loan	113,198	131,517	**244,716**	152,596	105,796	**258,392**
Term Loan	535,551	2,942,848	**3,478,399**	147,417	2,845,200	**2,992,617**
Time Loan	478,026	20,233	**498,259**	521,457	28,435	**549,892**
Pledged assets						
Treasury bills	784,072	-	**784,072**	256,265	-	**256,265**
Bonds	29,314	107,841	**137,154**	3,366	32,853	**36,219**
Promissory note	-	-	**-**	-	43,848	**43,848**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	714,655	-	**714,655**	434,106	-	**434,106**
Bonds	215,004	709,170	**924,174**	1,691	312,650	**314,341**
Promissory note	1	12,310	**12,311**	17,409	10,200	**27,608**
-Financial assets at amortised cost						
Treasury bills	331,550	-	**331,550**	642,490	-	**642,490**
Bonds	164,837	631,311	**796,149**	18,016	654,660	**672,675**
Promissory note	-	17,459	**17,459**	-	15,785	**15,785**
Total return notes	-	-	**-**	-	-	**-**
Restricted deposit and other assets	154,048	1,999,631	**2,153,679**	154,048	1,524,693	**1,678,741**
	6,874,307	**6,838,465**	**12,821,360**	**5,619,345**	**5,827,473**	**11,154,334**
Deposits from financial institutions	2,166,839	-	**2,166,839**	1,696,521	-	**1,696,521**
Deposits from customers	4,264,291	3,566,668	**7,830,958**	4,359,402	2,595,425	**6,954,827**
Derivative financial instruments	15,331	-	**15,331**	12,522	364	**12,886**
Debt securities issued	-	284,330	**284,330**	-	264,495	**264,495**
Other liabilities	621,167	-	**621,167**	556,144	-	**556,144**
Interest-bearing borrowings	15,578	949,709	**965,288**	554,102	617,158	**1,171,260**
	7,083,206	**4,800,707**	**11,883,913**	**7,178,690**	**3,477,442**	**10,656,133**

Bank	June 2022			December 2021		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
In millions of Naira						
Cash and balances with banks	894,524	-	**894,524**	1,068,976	-	**1,068,976**
Investment under management	29,627	6,529	**36,155**	28,197	6,745	**34,942**
Non pledged trading assets						
Treasury bills	605,059	-	**605,059**	786,717	-	**786,717**
Bonds	838	(8,573)	**(7,734)**	577	16,512	**17,089**
Derivative financial instruments	78,666	27,124	**105,790**	102,247	59,192	**161,439**
Loans and advances to banks	180,210	52,794	**233,004**	322,259	-	**322,259**
Loans and advances to customers						
Auto Loan	53	5,184	**5,237**	55	4,582	**4,637**
Credit Card	147	22,189	**22,336**	10,273	4,263	**14,536**
Finance Lease	15	763	**777**	28	951	**979**
Mortgage Loan	-	3,214	**3,214**	19	2,427	**2,446**
Overdraft	223,422	3,591	**227,013**	233,137	10,476	**243,614**
Personal Loan	67,438	8,469	**75,906**	54,502	7,703	**62,205**
Term Loan	535,551	2,598,089	**3,133,641**	147,417	2,437,217	**2,584,633**
Time Loan	273,964	20,233	**294,197**	314,588	28,435	**343,023**
Pledged assets						
Treasury bills	784,072	-	**784,072**	256,265	-	**256,265**
Bonds	29,314	107,841	**137,154**	3,366	32,853	**36,219**
Promissory note	-	-	**-**	-	43,848	**43,848**
Investment securities						
-Financial assets at FVOCI						
Treasury bills	597,193	-	**597,193**	172,719	-	**172,719**
Bonds	17,954	413,595	**431,550**	489	97,727	**98,216**
Promissory note	12,310	-	**12,310**	27,853	-	**27,853**
-Financial assets at amortised cost						
Treasury bills	271,011	-	**271,011**	535,678	-	**535,678**
Bonds	61,148	527,622	**588,770**	15,207	539,984	**555,191**
Promissory note	-	17,459	**17,459**	-	15,785	**15,785**
Restricted deposit and other assets	-	2,030,469	**2,030,469**	138,892	1,440,251	**1,579,143**
	5,553,924	**5,836,592**	**10,499,107**	**4,511,945**	**4,748,949**	**8,968,411**
Deposits from financial institutions	1,817,132	-	**1,817,132**	1,422,707	-	**1,422,707**
Deposits from customers	6,399,113	12,361	**6,411,474**	5,429,280	87,789	**5,517,069**
Derivative financial instruments	11,791	-	**11,791**	9,660	283	**9,943**
Debt securities issued	-	280,734	**280,734**	-	260,644	**260,644**
Other liabilities	414,516	138,228	**552,745**	491,743	-	**491,743**
Interest-bearing borrowings	13,793	840,865	**854,658**	507,430	565,005	**1,072,435**
	8,656,345	**1,272,188**	**9,928,533**	**7,860,820**	**913,721**	**8,774,541**

Capital adequacy ratio computation under Basel II guidelines

This represents the capital adequacy ratio under basel II guidelines

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Tier 1 capital without adjustment				
Ordinary share capital	17,773	17,773	17,773	17,773
Additional Tier 1 Capital	206,355	206,355	206,355	206,355
Share premium	234,039	234,039	234,039	234,039
Retained earnings	404,529	397,273	280,208	304,778
Other reserves	195,206	171,113	165,693	108,506
Non-controlling interests	17,625	23,477	-	-
	1,075,526	**1,050,029**	**904,068**	**871,450**
Add/(Less):				
Fair value reserve for fair value through other comprehensive income instruments	11,654	9,713	12,446	10,058
Foreign currency translation reserves	(8,602)	(38,191)	-	-
Other reserves	(2,983)	(3,217)	(2,284)	(2,190)
Total Tier 1	**1,075,596**	**1,018,334**	**914,230**	**879,318**
Add/(Less):				
Deferred tax assets	(16,027)	(13,781)	(6,370)	-
Regulatory risk reserve	(53,897)	(6,714)	(51,438)	(1,118)
Intangible assets	(66,680)	(70,332)	(54,772)	(58,734)
Treasury shares	7,751	-	-	-
Adjusted Tier 1	**946,743**	**927,507**	**801,649**	**819,466**
50% Investments in Banking subsidiaries	-	-	(120,401)	(107,888)
Eligible Tier 1	**946,743**	**927,507**	**681,248**	**711,578**
Tier 2 capital				
Debt securities issued	223,340	240,117	223,340	240,117
Fair value reserve for fair value through other comprehensive income instruments	(11,654)	(9,713)	(12,446)	(10,058)
		-		-
Foreign currency translation reserves	8,602	38,191	-	-
Other reserves	2,983	3,217	2,284	2,190
Total Tier 2	**223,271**	**271,811**	**213,179**	**232,249**
Adjusted Tier 2 capital (33% of Tier 1)	**223,271**	**271,811**	**213,179**	**232,249**
50% Investments in subsidiaries	-	-	(120,401)	(107,888)
Eligible Tier 2	**223,271**	**271,811**	**92,778**	**124,361**
Total regulatory capital	**1,170,013**	**1,199,317**	**774,026**	**835,939**
Risk-weighted assets	**5,207,900**	**4,891,615**	**4,113,919**	**3,993,849**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	22.47%	24.52%	18.81%	20.93%
Total tier 1 capital expressed as a percentage of risk-weighted assets	18.18%	18.96%	16.56%	17.82%

Capital adequacy ratio computation under Basel III guidelines

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

7 Operating segments

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

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

- **Corporate and Investment Banking -** The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank's clients as well as relationship banking services to the Bank's financial institutions customers.

- **Commercial banking** - The commercial banking division has presence in all major cities in the country. It provides commercial banking products and services to the non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.

- **Retail banking** – The retail banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment. The name of this division was recently changed from 'personal banking' to Retail banking' during the year.The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad.

- **Business Banking** - The Business banking division is a hybrid of Commercial and retail Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

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

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

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

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

Unallocated Segments represents all other transactions than are outside the normal course of business and can not be directly related to a specific segment financial information.
Thus, in essence, unallocated segments reconcile segment balances to group balances. Material items comprising total assets and total liabilities of the unallocated segments have been outlined below;
Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the income statement.

Material total assets and liabilities	**Group June 2022**	**Group December 2021**
In millions of Naira		
Other Assets	2,128,820	1,707,290
Deferred tax asset	16,027	13,781
Non Current Assets Held for Sale	39,106	42,737
Goodwill	12,747	12,664
	2,196,700	**1,776,473**
Other liabilities	633,733	560,709
Deferred tax liability	1,792	11,652
Retirement Benefit Obligation	3,701	3,877
Total liabilities	**639,225**	**576,238**

7a Operating segments (continued)
Group
June 2022

In millions of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Retail Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	266,755	159,680	116,833	48,538	-	591,806	591,806
Total Revenue	266,755	159,680	116,833	48,538	-	591,806	591,806
Interest Income	179,442	116,190	54,670	22,001	-	372,304	372,304
Interest expense	(89,513)	(50,407)	(25,870)	(9,013)	-	(174,803)	(174,803)
Impairment Losses	(17,382)	(16,631)	(2,754)	(94)	-	(36,861)	(36,861)
Profit/(Loss) on ordinary activities before	52,077	32,068	7,803	8,142	-	100,091	100,091
Income tax expense	(8,514)	(1,357)	611	(24)	-	(9,284)	(9,284)
Profit after tax	43,564	30,712	8,415	8,119		90,807	90,807
Assets and liabilities:							
Loans and Advances to banks and customers	2,015,010	2,465,361	353,705	92,719	-	4,926,795	4,926,795
Goodwill	-	-	-	-	12,747	12,747	12,747
Tangible segment assets	4,487,701	2,432,440	3,096,991	988,390	-	11,005,523	11,005,523
Unallocated segment assets	-	-	-	-	2,196,699	2,196,699	2,196,699
Total assets	4,487,701	2,432,440	3,096,991	988,390	2,196,699	13,202,221	13,202,221
Deposits from customers	3,136,446	1,466,054	2,433,423	803,450	-	7,839,374	7,839,374
Segment liabilities	4,407,437	2,813,250	3,235,148	1,031,634	-	11,487,470	11,487,470
Unallocated segment liabilities	-	-	-	-	639,225	639,225	639,225
Total liabilities	4,407,437	2,813,250	3,235,148	1,031,634	639,225	12,126,694	12,126,694
Net assets	80,264	(380,809)	(138,158)	(43,244)	1,557,474	1,075,526	1,075,528

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

June 2021
Operating segments (continued)

In millions of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	167,895	139,352	24,770	118,603	-	450,621	450,621
Total Revenue	167,895	139,352	24,770	118,603	-	450,621	450,621
Interest Income	103,201	119,957	20,357	76,219	-	319,734	319,734
Interest expense	(54,884)	(38,900)	(7,529)	(18,352)	-	(119,666)	(119,666)
Impairment Losses	(11,763)	(11,986)	(2,041)	(2,879)	-	(28,669)	(28,669)
taxation	50,302	23,936	5,536	17,721	-	97,497	97,497
Income tax expense	(2,308)	(7,505)	(199)	(549)	-	(10,560)	(10,560)
Profit after tax	47,995	16,431	5,337	17,173		86,937	86,937
December 2021							
Assets and liabilities:							
Loans and Advances to banks and customers	1,927,956	2,196,627	140,062	181,267	-	4,445,912	4,445,912
Goodwill	-	-	-	-	12,664	12,664	12,664
Tangible segment assets	4,034,215	3,206,354	482,376	2,232,548	-	9,955,492	9,955,492
Unallocated segment assets	-	-	-	-	1,776,473	1,776,473	1,776,473
Total assets	4,034,215	3,206,354	482,376	2,232,548	1,776,473	11,731,965	11,731,965
Deposits from customers	2,536,537	1,561,293	454,061	2,402,936	-	6,954,827	6,954,827
	-	-	-	-	-		
Segment liabilities	3,797,086	3,362,327	559,140	2,387,144	-	10,105,698	10,105,698
Unallocated segment liabilities	-	-	-	-	576,238	576,238	576,238
Total liabilities	3,797,086	3,362,327	559,140	2,387,144	576,238	10,681,936	10,681,936
Net assets	237,129	(155,974)	(76,764)	(154,597)	1,200,235	1,050,029	1,050,029

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

June 2022

In millions of Naira	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Intercompany elimination**	**Total**
Derived from external customers	468,890	97,494	28,781	595,164	(3,358)	591,806
						-
Total revenue	468,890	97,494	28,781	595,164	(3,358)	591,806
Interest income	283,549	70,542	21,570	375,661	(3,358)	372,303
Impairment losses	(32,989)	233	(4,108)	(36,864)	-	(36,864)
Interest expense	(148,475)	(24,954)	(4,732)	(178,160)	3,358	(174,802)
Net fee and commission income	36,706	12,358	6,373	55,437	-	55,437
Operating income	320,416	72,540	24,049	417,004		417,004
Profit before income tax	58,407	29,711	11,977	100,094		100,094
Assets and liabilities:						
Loans and advances to customers and banks	3,995,326	463,689	763,817	5,222,832	(296,037)	4,926,795
Total assets	11,064,970	1,467,262	1,385,592	13,917,823	(715,596)	13,202,224
Deposit from customers	6,419,891	971,931	447,551	7,839,373	-	7,839,373
Total liabilities	10,160,902	1,229,271	1,202,518	12,592,690	(465,988)	12,126,702
Net assets	904,067	237,991	183,074	1,325,133	(249,615)	1,075,518

June 2021	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Intercompany elimination	Total
Derived from external customers	353,739	64,033	30,124	447,896	(4,944)	450,621
Total revenue	353,739	64,033	30,124	447,896	(4,944)	450,621
					-	-
Interest income	253,806	47,118	20,742	321,667	(1,933)	319,734
Impairment losses	(22,856)	(2,222)	(3,591)	(28,669)	-	(28,669)
Interest expense	(100,883)	(17,030)	(3,686)	(121,599)	1,933	(119,666)
Net fee and commission income	44,512	8,740	5,475	58,727	-	58,727
Operating income	252,856	47,003	26,438	326,297	-	330,955
Profit before income tax	59,348	22,823	15,325	97,496	-	97,496
December 2021						
Assets and liabilities:						
Loans and advances to customers and banks	3,578,332	455,333	810,093	4,843,758	(397,846)	4,445,912
					-	-
Total assets	9,660,761	1,510,050	1,318,013	12,488,823	(756,859)	11,731,965
					-	-
Deposit from customers	5,517,069	1,040,884	396,875	6,954,827	-	6,954,827
Total liabilities	8,789,310	1,278,932	1,154,504	11,222,746	(540,868)	10,681,936
Net assets	871,450	231,119	163,509	1,266,078	(216,049)	1,050,029

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the Group's total revenue in the period ended 30 June 2022 and for the period ended 31 December 2021.

8 Interest income

In millions of Naira	Group June 2022	*Restated Group June 2021	Bank June 2022	Bank June 2021
Interest income				
Cash and balances with banks	4,833	5,167	2,336	2,553
Loans and advances to banks	8,092	7,952	2,375	2,588
Loans and advances to customers	238,943	174,427	194,774	142,453
Modification loss on loans	(865)	-	(865)	-
Investment securities				
-Financial assets at FVOCI	45,842	73,613	27,161	59,652
-Financial assets at amortised cost	45,686	18,434	38,799	14,550
	342,530	279,593	264,579	221,795
-Financial assets at FVPL	29,775	40,091	18,970	32,011
	372,305	**319,684**	**283,548**	**253,806**
Interest expense				
Deposit from financial institutions	33,465	30,502	31,217	29,024
Deposit from customers	108,636	56,773	84,585	40,868
Debt securities issued	11,303	10,144	11,138	10,144
Lease liabilities	(1,671)	641	398	408
Interest bearing borrowings and other borrowed funds	23,069	21,605	21,137	20,440
	174,802	**119,666**	**148,475**	**100,883**
Net interest income	**197,503**	**200,018**	**135,073**	**152,923**

Interest income for the period ended 30 June 2022 includes interest accrued on impaired financial assets of Group: N1.06Bn (30 June 2021: N1.533Bn)
The Group experienced an increase in interest income on investment securities as a result of increase in the volume and improved yield on securities during the period.

The increase in interest income on loans is attributable to the increase in value of loans and advances to customers.

The Group's Interest expense experienced a growth due to increase in customer deposits during the period.

9 Net impairment charge on financial assets

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Write Back/(Allowance) for impairment on money market placement (note 18)	77	(175)	57	(102)
Write Back/(Allowance) for impairment on loans and advance to banks (note 22)	280	(1,018)	96	(806)
Allowance for impairment on loans and advance to customers (note 23)	(30,260)	(26,598)	(25,509)	(21,467)
Allowance for impairment on pledged assets (note 24)	(85)	(14)	(85)	(14)
write back/(Allowance) for impairment on investment securities (note 25a)	651	(1,081)	(50)	(886)
Allowance/ (write back) on impairment on financial assets in other assets (note 26)	(2,256)	525	(2,256)	679
Allowance for impairment on off balance sheet items (note 34c)	(5,267)	(309)	(5,242)	(260)
	(36,861)	(28,670)	(32,989)	(22,856)

10 (a) Fee and commission income

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Credit related fees and commissions	25,354	20,586	16,151	14,111
Account maintenance charge and handling commission	12,042	10,855	11,105	10,278
Commission on bills and letters of credit	3,033	2,144	2,794	2,052
Commissions on collections	1,577	757	195	245
Commission on other financial services	7,010	6,891	4,621	5,597
Commission on foreign currency denominated transactions	1,947	1,885	232	414
Channels and other E-business income	29,654	29,912	23,975	25,814
Retail account charges	484	417	304	270
	81,100	**73,446**	**59,378**	**58,781**

Credit related fees and commissions are fees charged to customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost. These fees are accounted for in accordance with the Group's revenue accounting policy. The representation of all fees and commission recognised in the period and prior period at a point in time and over a period of time is as shown below.

	Group	Group	Bank	Bank
	June 2022	**June 2021**	**June 2022**	**June 2021**
Point in Time	72,762	67,293	56,103	56,510
Over Time	8,338	6,153	3,275	2,271
	81,100	**73,446**	**59,378**	**58,781**

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

10 (b) Fee and commission expense

In millions of Naira	June 2022	June 2021	June 2022	June 2021
Bank and electronic transfer charges	4,007	2,420	2,268	1,828
E-banking expense	21,656	12,568	20,403	12,440
	25,663	**14,988**	**22,672**	**14,268**

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

11 Net gains/loss on financial instruments at fair value

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

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Trading gains on Fixed income securities	2,281	58,969	1,931	50,384
Fair value (loss) on Fixed income securities	1,670	(10,753)	1,548	(9,562)
Fair value (loss) on non-hedging derivatives	(43,099)	(80,020)	(43,099)	(80,020)
Fair value gains on equity investments	(2,962)	23,859	(2,962)	23,859
Total Net gains/ (loss) on financial instruments at fair value through profit or loss	**(42,109)**	**(7,946)**	**(42,582)**	**(15,339)**

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

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Debt instruments at FVOCI				
Fixed income securities	106,245	(15,309)	105,847	(12,865)
	106,245	**(15,309)**	**105,847**	**(12,865)**
Total	**64,136**	**(23,255)**	**63,266**	**(28,204)**

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

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Realised gain	55,953	66,042	47,409	62,413
Unrealized Foreign exchange Gain on items not hedged	(3,117)	2,153	(3,117)	2,153
Total Net Foreign Exchange gain	**52,836**	**68,195**	**44,292**	**64,566**

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

Net gain/(loss) on fair value hedge (Hedging ineffectiveness)	11,284	(4,221)	11,284	(4,221)
	11,284	**(4,221)**	**11,284**	**(4,221)**

Jun-22	Average strike price	Nominal amount of hedging instrument	Carrying amount of hedging instrument (Assets)	Changes in fair value used for calculating hedge ineffectiveness
Fair value hedges	**₦**	**₦'millions**	**₦'millions**	**₦'millions**
Hedging instrument	420.13	1,050,400	94,431	4,980

*The liabilities are interest bearing loans and deposits from financial institutions denominated in USD.
The hedging instrument is recognised within derivative financial assets on the statement of financial position.

	Carrying amount of hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position where the hedging instrument is located
	Assets	**Liabilities**	**Assets**	**Liabilities**	
Jun-22	**₦'millions**	**₦'millions**	**₦'millions**	**₦'millions**	
Fair value hedges					
Foreign exchange risk on foreign currency loan - Interest bearing loan	-	494,824	-	(1,374)	Interest bearing borrowings
Foreign exchange risk on foreign currency loan - Deposit from financial institution	-	671,547	-	(5,607)	Deposit from financial institution

Jun-22	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)
Fair value hedge		**₦'millions**	**₦'millions**	
Hedging reserve - Fair value changes in hedging instrument (forward element)	90%	4,980	11,284	

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

Jun-22	3 months	6 months	12 months	5 years	More than 5 years
Fair value hedging	**₦'millions**	**₦'millions**	**₦'millions**	**₦'millions**	**₦'millions**
Hedging assets	-	33,290	61,141	-	-

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 millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Dividends on equity securities	3,290	2,626	3,290	2,626
Gain on disposal of property and equipment	546	-	110	-
Rental income	1	-	-	-
Bad debt recovered	1,433	3,372	1,122	3,263
Cash management charges	349	430	349	430
Income from agency and brokerage	1,374	646	296	210
Income from asset management	1,427	440	1,427	440
Income from other investments	1,506	4,359	425	684
Gain on modification on leases	103	-	103	-
Income from other financial services	-	1,929	-	1,359
	10,029	**13,803**	**7,121**	**9,012**

Included in income from agency and brokerage is an amount of N201.80Mn (June 2021: N108.39Mn) representing the referral commission earned from bancassurance products.

	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Point in Time	10,028	13,804	7,121	9,012
Over time	1	-	-	-
	10,029	**13,804**	**7,121**	**9,012**

14 Personnel expenses

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Wages and salaries	50,080	41,215	29,857	25,803
Increase in defined benefit obligation (see note 37 (a) (i))	5,008	377 -	5,008	377 -
Contributions to defined contribution plans	1,570	1,204	632	695
Restricted share performance plan	785	715	657	589
	57,443	**43,511**	**36,154**	**27,465**

(a) Under the Restricted Share Performance Plan (RSPP), shares of the Bank are awarded to employees based on their performance at no cost to them. Under the terms of the plan, the shares vest over a 3 year period from the date of award. The scheme applies to only employees of the Bank that meet the stipulated performance criteria irrespective of where they work within the Group. Some members of the Group also have a similar scheme, over the vesting period of 7 years. The RSPP is an equity-settled scheme, where the Bank recognizes an expense and a corresponding increase in equity. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions.

By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding twenty (20) per cent of the aggregate emoluments of the Bank's employees in each financial year to purchase shares of the Bank from the floor of the Nigerian Stock Exchange for the purpose of the plan. The Bank has also established a Structured Entity (SE) to hold shares of the Bank purchased. Upon vesting, the SE transfers the shares to the employee whose interest has vested. The SE is consolidated in the Group's financial statements.

(i) The shares allocated to staff has a contractual vesting period of three to seven years commencing from the year of purchase/allocation to the staff. The Group has no legal or constructive obligation to repurchase or settle on a cash basis.

(ii) The number and weighted-average exercise prices of shares has been detailed in table below;

Group

Description of shares	June 2022 Number of Shares	June 2022 Weighted Share Price per Share - Naira	June 2021 Number of Shares	June 2021 Weighted Share Price per Share - Naira
(i) Outstanding at the beginning of the period;	977,507	7.47	706,766	7.30
(ii) Granted during the period;	318,185	9.30	255,647	8.45
(iii) Forfeited during the period;	(283,793)	7.36	(241,192)	7.01
(iv) Exercised during the period;	(98,612)	6.85	(7,549)	8.41
(v) Allocated at the end of the period;	913,287	8.27	713,671	7.65
(vi) Shares under the scheme at the end of the period	934,030	8.20	826,685	7.50
	Naira ('000)	**Price per Share - Naira**	**Naira ('000)**	**Price per Share - Naira**
Share based expense recognised during the period	785	8.27	715	7.65

	Grant Date	Vesting period	Expiry date	Shares
Outstanding allocated shares for the 2018 - 2025 vesting period	1 July 2018	2018-2025	1 Jul 2025	22,621
Outstanding allocated shares for the 2019 - 2026 vesting period	1 Jan 2019	2019-2026	1 Jan 2026	74,858
Outstanding allocated shares for the 2019 - 2026 vesting period	1 July 2019	2019-2026	1 Jul 2026	140,287
Outstanding allocated shares for the 2020 - 2027 vesting period	1 Jul 2020	2020-2027	1 Jul 2027	81,083
Outstanding allocated shares for the 2021 - 2028 vesting period	1 Jan 2021	2021 - 2028	1 Jan 2028	168,531
Outstanding allocated shares for the 2021 - 2028 vesting period	1 Jul 2021	2021 - 2028	1 Jun 2028	136,043
Outstanding allocated shares for the 2022 - 2029 vesting period	1 Jan 2022	2022 - 2029	1 Jan 2029	289,864
				913,287

Bank

Description of shares	June 2022 Number of Shares	June 2022 Weighted Share Price per Share - Naira	June 2021 Number of Shares	June 2021 Weighted Share Price per Share - Naira
(i) Outstanding at the beginning of the period;	861,448	7.47	614,554	7.30
(ii) Granted during the period;	284,545	9.30	218,714	8.45
(iii) Forfeited during the period;	(283,793)	7.36	(241,192)	7.01
(iv) Exercised during the period;	(82,746)	6.80	-	-
(v) Allocated at the end of the period;	**779,455**	8.17	**592,076**	7.31
(vi) Shares under the scheme at the end of the period	802,648	8.20	705,090	7.50
	Naira ('000)	**Price per Share - Naira**	**Naira ('000)**	**Price per Share - Naira**
Share based expense recognised during the period	657	8.17	589	7.31

	Grant Date	Vesting year	Expiry date	Shares
Outstanding allocated shares for the 2019 - 2022 vesting period	1 Jan 2019	2019-2022	1 Jan 2022	74,858
Outstanding allocated shares for the 2019 - 2022 vesting period	1 July 2019	2019-2022	1 Jul 2022	117,234
Outstanding allocated shares for the 2020 - 2023 vesting period	1 Jul 2020	2020-2023	1 Jul 2023	43,030
Outstanding allocated shares for the 2021 - 2024 vesting period	1 Jan 2021	2021 - 2024	1 Jan 2024	174,118
Outstanding allocated shares for the 2021 - 2024 vesting period	1 Jul 2021	2021 - 2024	1 Jul 2024	102,404
Outstanding allocated shares for the 2022 - 2025 vesting period	1 Jan 2022	2022 - 2025	1 Jan 2025	267,811
				779,455

i. The weighted average remaining contractual life of the outstanding allocated shares is :

	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
	years	years	years	years
Weighted average contractual life of remaining shares	5.39	5.70	1.59	1.78

Under the restricted share performance plan, N2.96billion worth of shares were granted to employees of the Bank at a weighted average fair value of N8.45per share on grant date. The fair value of shares is the grant date fair value of each ordinary shares of the Bank listed on the floor of the Nigerian Stock Exchange

ii. The average number of persons other than directors, in employment at the Group level during the period comprise:

	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
	Number	Number	Number	Number
Managerial	350	432	243	277
Other staff	5,690	6,065	4,072	4,846
	6,040	**6,497**	**4,315**	**5,123**

iii. Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
	Number	Number	Number	Number
Below N900,000	-	-	-	-
N900,001 - N1,990,000	153	142	-	6
N1,990,001 - N2,990,000	328	99	328	87
N2,990,001 - N3,910,000	345	562	345	563
N3,910,001 - N4,740,000	668	697	175	373
N4,740,001 - N5,740,000	1	7	1	4
N5,740,001 - N6,760,000	1,582	1,930	1,266	1,451
N6,760,001 - N7,489,000	-	6	-	1
N7,489,001 - N8,760,000	1,126	904	892	553
N8,760,001 - N9,190,000	119	478	119	480
N9,190,001 - N11,360,000	728	761	505	515
N11,360,001 - N14,950,000	385	479	261	325
N14,950,001 - N17,950,000	222	303	163	146
N17,950,001 - N21,940,000	33	33	17	24
N21,940,001 - N26,250,000	133	217	96	109
N26,250,001 - N30,260,000	125	139	81	69
N30,261,001 - N45,329,000	64	109	44	53
Above N45,329,000	28	9	22	23

	6,040	**6,875**	**4,315**	**4,782**

15 Other operating expenses

In millions of Naira	**Group June 2022**	**Group June 2021**	**Bank June 2022**	**Bank June 2021**
Premises and equipment costs	16,897	7,002	14,499	6,670
Professional fees	5,819	5,610	3,195	2,408
Insurance	923	787	355	325
Business travel expenses	7,110	4,187	6,297	3,951
Asset Management Corporation of Nigeria (AMCON) surcharge	52,734	41,509	52,734	41,509
Bank charges	2,427	1,887	1,254	1,228
Deposit insurance premium	11,102	9,964	10,884	9,767
Auditor's remuneration	709	693	323	323
Administrative expenses	21,723	11,795	19,129	10,532
Board expenses	1,092	896	778	605
Communication expenses	3,553	1,684	1,675	669
IT and e-business expenses	23,276	11,793	18,816	10,184
Outsourcing costs	9,124	9,657	8,328	8,941
Advertisements and marketing expenses	3,700	3,417	3,124	2,763
Recruitment and training	1,511	742	1,268	577
Events, charities and sponsorship	3,956	3,357	3,675	3,199
Periodicals and Subscriptions	621	562	277	318
Security expenses	3,003	2,599	2,520	2,062
Loss on disposal of property and equipment	-	80	-	104
Modification loss on loans	-	3,124	-	3,124
Cash processing and management cost	1,786	1,581	1,743	1,467
Stationeries, postage and printing	1,228	1,116	812	850
Office provisions and entertainment	270	213	138	122
Rent expenses	2,705	1,785	1,879	1,032
	175,271	**126,040**	**153,703**	**112,728**

16 Income tax

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Current tax expense				
Corporate income tax	9,163	7,656	-	-
Minimum tax	2,876	872	2,876	872
IT tax	584	593	584	593
Education tax	3,860	665	3,860	665
Capital gains tax	-	-	-	-
Police fund tax levy	3	-	3	-
National Agency for Science and Engineering Infrastructure levy	146	-	146	-
	16,632	9,786	7,468	2,129
Deferred tax expense				
Origination of temporary differences	(7,348)	774	(10,130)	(924)
Income tax expense	9,284	10,559	(2,661)	1,205
Items included in OCI	(614)	-	(614)	-

The computation of the Bank's income tax expense and deferred tax was carried out in accordance with the Finance Act, CITA and other relevant tax laws. The changes made by the new act was incorporated in the Bank tax computation and it is believed by the management of the Bank that there is no uncertainty over its Income and Deferred tax treatment that relevant tax authorities may disagree with.

The movement in the current income tax liability is as follows:

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Balance at the beginning of the period	4,643	2,160	3,132	2,547
Acquired from business combination	-	(580)	-	0
Tax paid	(11,223)	(22,838)	(1,368)	(2,143)
Income tax charge	16,632	26,308	7,468	3,196
Prior year's under/excess provision	-	0	-	0
Withholding tax utilization	(1,800)	(468)	(1,800)	(468)
Translation adjustments	465	61	-	0
Income tax receivable	-	-	-	-
Balance at the end of the period	**8,716**	**4,643**	**7,432**	**3,132**

Income tax liability is to be settled within one period

Income tax for the Bank has been assessed under the minimum tax regulation.

In millions of Naira	Group June 2022	Group June 2022	Group June 2021	Group June 2021
Profit before income tax		100,094		97,377
Income tax using the domestic tax rate	30%	30,028	30%	29,249
Effect of tax rates in foreign jurisdictions	0%	-	0%	-
Information technology tax	1%	584	1%	593
Capital allowance utilised for the period	0%	-	0%	-
Non-deductible expenses	39%	38,604	55%	53,518
Tax exempt income	-65%	(64,772)	-85%	(82,767)
Effect of prior year underprovision	0%	-	0%	-
Education tax levy	0%	-	1%	665
Capital gain tax	0%	-	0%	-
Origination and reversal of temporary deferred tax differences	-7%	(7,348)	1%	774
Company income Tax	9%	9,163	8%	7,656
Minimum tax effect	3%	2,876	1%	872
National Agency for Science and Engineering Infrastructure levy	0%	146	0%	-
Nigerian Police fund levy	0%	3	0%	-
Effective tax rate	**9%**	**9,285**	**11%**	**10,560**

In millions of Naira	Bank June 2022	Bank June 2022	Bank June 2021	Bank June 2021
Profit before income tax		58,407		59,345
Income tax using the domestic tax rate	30%	17,522	30%	17,804
Information technology tax	1%	584	1%	593
Non-deductible expenses	66%	38,604	77%	45,875
Tax exempt income	-96%	(56,127)	-107%	(63,679)
Education tax levy	7%	3,860	1%	665
Capital gain tax	0%	-	0%	-
National Agency for Science and Engineering Infrastructure levy	0%	146	0%	-
Nigerian Police fund levy	0%	3	0%	-
Capital allowance	0%	-	0%	-
Origination and reversal of temporary deferred tax differences	-17%	(10,130)	-2%	(924)
Company income Tax	0%	-	0%	-
Minimum tax effect	5%	2,876	1%	872
Effective tax rate	**-5%**	**(2,662)**	**2%**	**1,206**

Current income tax liabilities are due within 12 months from the period end date

Classified as:				
Current	8,716	7,432	7,432	3,648
Non current	-	-	-	-

17 Earnings per share

(a) Basic from continuing operations

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

In millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Profit for the period from continuing operations	89,363	85,982	61,068	58,139
Weighted average number of ordinary shares in issue	35,545	35,545	35,545	35,545
Weighted average number of treasury Shares	(934)	(827)	-	-
	34,611	34,719	35,545	35,545
In kobo per share				
Basic earnings per share from continuing operations	258	248	172	164

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 millions of Naira	Group June 2022	Group June 2021	Bank June 2022	Bank June 2021
Profit for the period from continuing operations	89,363	85,982	61,068	58,139
Weighted average number of Total shares in issue	34,611	34,719	35,545	35,545
Weighted average number of treasury shares in issue	(934)	(827)	-	-
Weighted average number of ordinary shares in issue	35,545	35,545	35,545	35,545
In kobo per share				
Diluted earnings per share from continuing operations	251	242	172	164

18 Cash and balances with banks

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Cash on hand and balances with banks (see note (i))	747,361	1,157,628	553,776	834,382
Unrestricted balances with central banks	84,564	72,671	875	1,057
Money market placements	65,001	102,503	1,688	78,550
Other deposits with central banks (see note (ii)	338,189	155,049	338,189	155,049
	1,235,115	**1,487,851**	**894,527**	**1,069,037**
ECL on Placements	(82)	(186)	(4)	(61)
	1,235,033	**1,487,665**	**894,524**	**1,068,976**

(i) Included in cash on hand and balances with banks is an amount of N67.41Bn (31 Dec 2021: N75.64Bn) 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 N338.19bn represents the nominal value of outstanding forward contracts entered on behalf of customers, with the Central Bank of Nigeria.

Movement in ECL on Placements

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Opening balance at beginning of the period	186	205	61	34
-(Write Back)/Charge for the period	(77)	(21)	(57)	27
Foreign translation reserve	(27)	1	-	-
Closing balance	**82**	**186**	**4**	**61**

19 Investment under management

Amortized cost

In millions of Naira	**Group** June 2022	**Group** December 2021	**Bank** June 2022	**Bank** December 2021
Relating to unclaimed dividends:				
Government bonds	2,949	2,861	2,949	2,861
Placements	17,002	13,045	17,002	13,045
Commercial paper	3,836	5,153	3,836	5,153
Corporate Bond	2,296	2,021	2,296	2,021
Nigerian treasury bills	2,537	2,575	2,537	2,575
Mutual funds	3,955	5,403	3,955	5,403
Eurobonds	3,580	3,885	3,580	3,885
	36,155	**34,942**	**36,155**	**34,942**

The Bank entrusted the sum transferred to it by the Registrars in respect of unclaimed dividends with select Asset Managers who will ensure safekeeping and manage the funds for the benefit of the Bank. The investments by the Asset Managers are as listed above (the corresponding liability which is due to the Registrar is reported as "unclaimed dividend" in other liabilities. An impairment test was carried out on the assets under management and the resulting impairments were considered immaterial.

20 Non pledged trading assets

In millions of Naira	**Group** June 2022	**Group** December 2021	**Bank** June 2022	**Bank** December 2021
Government bonds	28,799	76,677	7,257	3,563
Eurobonds	13,533	13,526	13,533	13,526
Treasury bills	619,052	802,305	611,990	786,717
	661,385	**892,508**	**632,781**	**803,806**

21 Derivative financial instruments

In millions of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	June 2022		December 2021	
Group				
Foreign exchange derivatives				
Total derivative assets	**1,429,881**	**118,936**	**1,468,049**	**171,332**
Non-deliverable future contracts	-	636	-	1,478
Forward and swap contracts	1,429,881	118,300	1,468,049	169,854
			-	-
Total derivative liabilities	**294,670**	**(15,331)**	**330,206**	**(13,953)**
Non-deliverable future contracts	-	(634)	-	(1,478)
Forward and swap contracts	294,670	(14,697)	330,206	(12,475)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	June 2022		December 2021	
Bank				
Foreign exchange derivatives				
Total derivative assets	**1,403,282**	**106,425**	**1,425,923**	**161,439**
Non-deliverable future contracts	-	636	-	1,478
Forward and swap contracts	1,403,282	105,789	1,425,923	159,962
Total derivative liabilities	**255,982**	**(12,425)**	**256,408**	**(9,943)**
Non-deliverable future contracts	-	(635)	-	(1,478)
Forward and swap contracts	255,982	(11,790)	256,408	(8,465)

	June 2022 Fair Value		December 2021 Fair Value	
Derivative Assets	**Group**	**Bank**	**Group**	**Bank**
Current (Hedging Instruments)	94,431	94,431	128,921	128,921
Non- Current (Hedging Instruments)	-	-	20,996	20,996
Current (Non-Hedging Instruments)	24,505	11,994	21,312	11,522
Non- Current (Non-Hedging Instruments)	-	-	-	-
Derivative Liabilities				
Current (Non-Hedging Instruments)	-	-	-	-
Non- Current (Hedging Instruments)	-	-	-	-
Current (Non-Hedging Instruments)	(15,331)	(12,425)	(13,850)	(9,943)
Non- Current (Non-Hedging Instruments)	-	-	-	-

Derivative financial instruments consist of forward, swap and future contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates of between 30 days and a year. Derivative contracts are valued with reference to data obtained from sources such as Bloomberg and FMDQ.

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

22 Loans and advances to banks

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Loans and advances to banks	307,578	285,168	233,343	322,695
Less allowance for impairment losses	(339)	(620)	(339)	(435)
	307,240	**284,548**	**233,004**	**322,259**

Group

Impairment allowance for loans and advances to banks

In millions of Naira	June 2022 Stage 1	Stage 2	Stage 3	Total
Internal rating grade:				
Investment	285	-	-	285
Standard grade	-	-	-	-
Non Investment	-	-	54	54
Total	**285**	**-**	**54**	**340**

	June 2022 Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2022	493	9	117	620
-Charge for the period:				
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	(209)	(9)	(63)	(280)
Amounts written off	-	-	-	-
Foreign exchange revaluation	-	-	-	-
At 30 June 2022	**285**	**-**	**55**	**340**

Impairment allowance for loans and advances to banks

In millions of Naira	December 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	484	-	-	484
Standard grade	10	9	-	18
Non Investment	-	-	117	117
Total	**493**	**9**	**117**	**620**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	599	-	52	652
Transfers to Stage 2	-	33	(33)	-
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	(256)	(25)	65	(216)
Amounts written off	-	-	-	-
Foreign exchange revaluation	150	1	33	184
At 31 December 2021	**493**	**9**	**117**	**620**

Bank

Loans to banks

In millions of Naira	June 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
Internal rating grade:				
Investment	285	-	-	285
Standard grade	-	-	-	-
Non Investment	-	-	54	54
Total	**285**	**-**	**54**	**339**

	June 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2022	343	8	84	435
-Charge for the period:				-
Total net P&L charge during the period	(59)	(8)	(30)	(96)
At 30 June 2022	**285**	**0**	**54**	**339**

Impairment allowance for loans and advances to banks

In millions of Naira	December 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	333	-	-	333
Standard grade	10	8	-	17
Non Investment	-	-	84	84
Total	**343**	**8**	**84**	**435**

	December 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2021	246	-	53	299
-Charge for the period:	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	33	(33)	-
Total net P&L charge during the period	97	(25)	65	137
Unwindling of discount				-
Amounts written off	-	-	-	-
At 31 December 2021	**343**	**8**	**84**	**435**

23 Loans and advances to customers

a Group

In millions of Naira	**June 2022**
Loans to individuals	
Retail Exposures	
Auto Loan	1,575
Credit Card	25,232
Finance Lease (note 23c)	985
Mortgage Loan	52,969
Overdraft	20,875
Personal Loan	256,294
Term Loan	56,899
Time Loan	3,085
	417,915
Less allowance for expected credit loss	(19,240)
	398,675

Loans to corporate entities and other organizations

Non-Retail Exposures	
Auto Loan (note 23c)	4,560
Credit Card	844
Finance Lease (note 23c)	3,470
Mortgage Loan	31,583
Overdraft	270,413
Personal Loan	-
Term Loan	3,498,401
Time Loan	510,123
	4,319,394
Less allowance for expected credit loss	(98,513)
	4,220,881

Loans and advances to customers (Individual and corporate entities and other organizations)	4,737,309
Less allowance for expected credit loss	(117,753)
	4,619,556

ECL allowance on loans and advances to customers

Loans to Individuals

In millions of Naira

	June 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	7,284	991	-	8,275
Non-Investment	-	-	10,964	10,964
Sub-standard grade				-
Total	**7,284**	**991**	**10,964**	**19,240**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2022	8,447	2,194	16,492	27,133
- Charge for the period:				
Transfers to Stage 1	843	(750)	(93)	(0)
Transfers to Stage 2	(1,156)	1,181	(25)	-
Transfers to Stage 3	(1)	(96)	97	-
Total net P&L charge during the period	(848)	(1,538)	(2,483)	(4,869)
Amounts written off	-	-	(3,025)	(3,025)
Translation difference	-	-	-	-
At 30 June 2022	**7,284**	**992**	**10,964**	**19,240**

Loans to corporate entities and other organizations
In millions of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	3,639	-	-	3,639
Standard grade	27,850	11,755	-	39,605
Non-Investment	-	-	55,268	55,268
Total	**31,489**	**11,755**	**55,268**	**98,514**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	28,756	25,350	68,662	122,767
- Charge for the period:				-
Transfers to Stage 1	13,498	(9,400)	(4,098)	-
Transfers to Stage 2	(6,707)	6,714	(7)	-
Transfers to Stage 3	(540)	(3,861)	4,402	-
Total net P&L charge during the period	(2,954)	(6,601)	44,685	35,129
Amounts written off	-	-	(56,804)	(56,804)
Translation difference	(564)	(446)	(1,570)	(2,579)
At 30 June 2022	**31,489**	**11,755**	**55,268**	**98,514**

Group

In millions of Naira	December 2021
Loans to individuals	
Retail Exposures	-
Auto Loan	2,736
Credit Card	15,246
Finance Lease (note 23c)	18
Mortgage Loan	65,929
Overdraft	30,497
Personal Loan	271,702
Term Loan	28,082
Time Loan	1,814
	416,023
Less Allowance for ECL/Impairment losses	(27,133)
	388,890
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan	2,839
Credit Card	691
Finance Lease (note 23c)	991
Mortgage Loan	12,002
Overdraft	261,444
Personal Loan	-

Term Loan	3,050,765
Time Loan	566,510
	3,895,241
Less Allowance for ECL/Impairment losses	(122,767)
	3,772,474

Loans and advances to customers (Individual and corporate entities and other organizations)	4,311,263
Less Allowance for ECL/Impairment losses	(149,900)
	4,161,363

ECL allowance on loans and advances to customers

Loans to Individuals
In millions of Naira

	December 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade				-
Non-Investment	8,447	1,370	539	10,356
Sub-standard grade	-	824	15,953	16,777
Total	**8,447**	**2,194**	**16,492**	**27,133**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2021	630	761	2,621	4,012
Transfers to Stage 1	30	(7)	(23)	-
Transfers to Stage 2	50	252	(302)	-
Transfers to Stage 3	(5)	(31)	37	-
Total net P&L charge during the period	7,743	1,219	15,293	24,255
Amounts written off	-	-	(1,134)	(1,134)
Foreign exchange revaluation	-	-	-	-
At 31 December 2021	**8,447**	**2,194**	**16,492**	**27,133**

Loans to corporate entities and other organizations
In thousands of Naira

	December 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	4,591	4	-	4,595
Standard grade	24,165	25,338	116	49,620
Non-Investment	-	7	68,546	68,552
Total	**28,756**	**25,350**	**68,662**	**122,767**

	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2021	31,990	58,231	54,830	145,050
Transfers to Stage 1	12,501	(11,540)	(961)	-
Transfers to Stage 2	(6,716)	6,092	623	-
Transfers to Stage 3	272	(3,547)	3,275	-
Total net P&L charge during the period	(9,979)	(25,261)	92,240	57,001
Amounts written off	-	-	(84,095)	(84,095)
Translation difference	687	1,375	2,749	4,811
At 31 December 2021	**28,756**	**25,350**	**68,662**	**122,767**

23 Loans and advances to customers

b Bank

	June 2022
In thousands of Naira	
Loans to individuals	
Retail Exposures	
Auto Loan	788
Credit Card	25,232
Finance Lease (note 23c)	1
Mortgage Loan	3,373
Overdraft	18,318
Personal Loan	76,934
Term Loan	26,379
Time Loan	596
	151,620
Less Allowance for Expected credit loss	(8,689)
	142,932
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	4,560
Credit Card	844
Finance Lease (note 23c)	803
Mortgage Loan	108
Overdraft	218,875
Term Loan	3,143,093
Time Loan	308,551
	3,676,833
Less Allowance for Expected credit loss	(57,443)
	3,619,390
Loans and advances to customers (Individual and corporate entities and other organizations)	3,828,454
Less Allowance for Expected credit loss	(66,132)
	3,762,322

ECL allowance on loans and advances to customers

Loans to Individuals

In millions of Naira

	June 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	5,424	372	-	5,796
Non-Investment	-	-	2,892	2,893
Total	**5,424**	**372**	**2,892**	**8,690**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2022	6,409	883	6,540	13,832
- Charge for the period:				
Transfers to Stage 1	307	(307)	(0)	(0)
Transfers to Stage 2	(979)	980	(1)	-
Transfers to Stage 3	(1)	(97)	97	-
Total net P&L charge during the period	(313)	(1,087)	(1,483)	(2,883)
Amounts written off	-	-	(2,260)	(2,260)
At 30 June 2022	**5,424**	**372**	**2,892**	**8,690**

Loans to corporate entities and other organizations

In millions of Naira

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	3,639	-	-	3,639
Standard grade	20,993	10,362	-	31,354
Non-Investment	-	-	22,450	22,450
Sub-standard grade	-	-	-	
Total	**24,632**	**10,363**	**22,449**	**57,443**

Stage 1	**Stage 2**	**Stage 3**	**Total**

ECL allowance as at 1 January 2022	23,945	23,657	26,215	73,818
- Charge for the period:				
Transfers to Stage 1	10,271	(8,133)	(2,138)	(0)
Transfers to Stage 2	(4,356)	4,363	(7)	0
Transfers to Stage 3	(40)	(3,443)	3,482	-
Total net P&L charge during the period	(5,189)	(6,082)	39,663	28,392
Amounts written off	-	-	(44,766)	(44,766)
Foreign exchange revaluation	-	-	-	-
At 30 June 2022	**24,632**	**10,361**	**22,449**	**57,441**

23 Loans and advances to customers

b Bank

In millions of Naira	December 2021
Loans to individuals	
Retail Exposures	
Auto Loan	1,904
Credit Card	15,246
Finance Lease (note 23c)	18
Mortgage Loan	2,979
Overdraft	30,497
Personal Loan	65,777
Term Loan	16,508
Time Loan	1,814
	134,743
Less Allowance for ECL/Impairment losses	(13,831)
	120,911
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,839
Credit Card	691
Finance Lease (note 23c)	991
Mortgage Loan	119
Overdraft	237,270
Term Loan	2,623,319
Time Loan	343,752
	3,208,980
Less Allowance for ECL/Impairment losses	(73,818)
	3,135,162
Loans and advances to customers (Individual and corporate entities and other organizations)	3,343,722
Less Allowance for ECL/Impairment losses	(87,650)
	3,256,073

Impairment allowance on loans and advances to customers

Loans to Individuals
In millions of Naira

	December 2021			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	-
Standard grade	6,409	59	539	7,006
Non-Investment	-	824	6,001	6,826
Total	**6,409**	**883**	**6,540**	**13,832**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	570	441	1,821	2,832
Transfers to Stage 1	17	(3)	(15)	-
Transfers to Stage 2	(5)	270	(266)	-
Transfers to Stage 3	(18)	(27)	45	-
Total net P&L charge during the period	5,844	202	6,088	12,134
Amounts written off	-	-	(1,134)	(1,134)
At 31 December 2021	**6,409**	**883**	**6,540**	**13,831**

Loans to corporate entities and other organizations
In millions of Naira

	December 2021			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	4,591	4	-	4,595
Standard grade	19,354	23,647	116	43,117
Non-Investment	-	7	26,099	26,105
Sub-standard grade	-	-	-	-
Total	**23,946**	**23,658**	**26,215**	**73,818**

	Stage 1	Stage 2	Stage 3	Total ECL
ECL allowance as at 1 January 2021	30,049	50,548	35,614	116,211
- Charge for the year	-	-	-	-
Transfers to Stage 1	11,954	(11,815)	(138)	-
Transfers to Stage 2	(7,370)	8,372	(1,002)	-
Transfers to Stage 3	(40)	(3,443)	3,484	-
Total net P&L charge during the period	(10,647)	(20,003)	71,207	40,556
Amounts written off	-	-	(82,949)	(82,949)
Foreign exchange revaluation	-	-	-	-
At 31 December 2021	**23,946**	**23,657**	**26,215**	**73,818**

Modified loans:

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Amortized Cost before modification	7,376	87,810	7,376	87,810
Modification gain/(loss)	(865)	(10,631)	(865)	(10,631)
Amortized Cost after modication	**6,511**	**77,179**	**10,631,351**	**77,179**

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 millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Gross investment in finance lease, receivable	10,591	6,842	6,151	6,119
Unearned finance income on finance leases	(855)	(433)	(496)	(368)
Net investment in finance leases	9,736	6,409	5,654	5,751
Gross investment in finance leases, receivable:				
Less than one year	802	479	197	106
Between one and five years	9,788	6,363	5,954	6,013
Later than five years	-	-	-	-
	10,590	6,842	6,151	6,119
Unearned finance income on finance leases	(855)	(433)	(496)	(368)
Present value of minimum lease payments	9,735	6,409	5,654	5,751
Present value of minimum lease payments may be analysed as:				
- Less than one year	742	427	142	95
- Between one and five years	8,994	5,982	5,512	5,656
- Later than five years	-	-	-	-

24 Pledged assets

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
-Financial instruments at FVOCI				
Treasury bills	280,162	-	280,162	-
Government bonds	20,229	-	20,229	-
Promissory note	-	-	-	-
	300,391	-	300,391	-
-Financial instruments at amortised cost				
Treasury bills	155,879	191,501	155,879	191,501
Government bonds	130,869	35,800	130,869	35,800
Promissory note	52,871	52,076	52,871	52,076
	339,620	279,377	339,620	279,377
ECL on financial assets at amortized cost	(8)	(23)	(8)	(23)
	339,612	279,354	339,612	279,354
-Financial instruments at FVPL				
Treasury bills	303,316	64,764	303,316	64,764
Government bonds	955	419	955	419
Promissory note	-	-	-	-
	304,271	65,183	304,271	65,183
	944,273	**344,537**	**944,273**	**344,537**

The Financial instruments at FVPL have been designated at fair value through profit or loss by the Group

ECL allowance on pledged assets at fair value through other comprehensive income

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Opening balance	-	431	-	431
Additional allowance	101	-	101	-
Allowance written back	-	(431)	-	(431)
Balance, end of period	**101**	**-**	**101**	**-**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on pledged assets at amortized cost

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Opening balance	23	9	23	9
Additional allowance		14		14
Allowance written back	(15)	-	(15)	-

Balance, end of period	**8**	**23**	**8**	**23**

The related liability for assets pledged as collateral include:

Central Bank of Nigeria (CBN)	568,630	434,530	566,631	430,344
Bank of Industry (BOI)	21,014	14,646	21,014	14,646
	589,644	**449,176**	**587,645**	**444,990**

The other counterparties included in this category of pledged assets include FIRS, Valucard, Interswitch, NIBSS and others.

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets. This disclosure in 24(i) is inclusive of only liabilities that actual cash has been received for.

25 Investment securities

At fair value through profit or loss *In millions of Naira*	**Group June 2022**	**Group December 2021**	**Bank June 2022**	**Bank December 2021**
Equity securities at fair value through profit or loss (see note (i) below)	162,836	165,337	162,556	165,054

At fair value through other comprehensive income *In millions of Naira*	**June 2022**	**December 2021**	**June 2022**	**December 2021**
Debt securities				
Government bonds	211,228	229,097	45,907	25,182
Treasury bills	1,072,899	434,106	646,148	172,719
Eurobonds	131,069	26,039	115,726	13,828
Corporate bonds	16,957	16,248	16,957	16,248
State government bonds	47,992	42,958	47,992	42,958
Commercial Paper	2,958	-	2,958	-
Promissory notes	12,310	27,608	12,310	27,608
	1,495,413	776,056	887,999	298,544
Changes in fair value of FVOCI instruments	(7,559)	(58,187)	(2,809)	(69,495)
Changes in allowance on FVOCI financial instruments	395	56	422	(136)
Net fair value changes in FVOCI instruments	**(7,164)**	**(58,131)**	**(2,386)**	**(69,632)**
At amortised cost *In millions of Naira*				
Debt securities				
Treasury bills	357,294	642,490	269,903	535,678
Federal government bonds	507,875	443,682	332,493	316,032
State government bonds	5,594	7,334	5,594	7,334
FGN Promissory notes	16,250	15,785	16,251	15,785
Corporate bonds	7,584	7,592	8,827	8,820
Eurobonds	211,998	214,066	205,342	207,220
Gross amount	1,106,594	1,330,950	838,410	1,090,868
ECL on financial assets at amortized cost	(866)	(2,005)	(635)	(1,008)
Carrying amount	1,105,728	1,328,945	837,775	1,089,860
Total	**2,763,977**	**2,270,338**	**1,888,330**	**1,553,458**

ECL allowance on investments at fair value through other comprehensive income

In millions of Naira	**Group June 2022**	**Group December 2021**	**Bank June 2022**	**Bank December 2021**
Opening balance at 1 January	468	412	222	358
Additional allowance	448	49	422	-
Allowance written back	-	-	-	(136)
Foreign exchange adjustments	(53)	7	-	-
Balance, end of period	**864**	**468**	**644**	**222**

ECL allowance on investments at amortized cost

In millions of Naira	**Group June 2022**	**Group December 2021**	**Bank June 2022**	**Bank December 2021**
Opening balance at 1 January 2021	2,005	600	1,008	550
Acquired from business combination	-	4	-	-
-Charge for the period	(1,099)	1,856	(372)	930
Allowance written back	-	-	-	-
Revaluation difference	(40)	17	-	-
Write off	-	(472)	-	(472)
Balance, end of period	**866**	**2,005**	**636**	**1,008**
Total ECL charge on securities	(651)	1,905	50	930

(i) Equity securities at FVPL (carrying amount)

Central securities clearing system limited	5,400	6,844	5,400	6,844
Nigeria interbank settlement system plc.	12,741	13,451	12,741	13,451
Unified payment services limited	5,445	5,870	5,445	5,870
Africa finance corporation	126,729	127,221	126,729	127,221
African export-import bank	181	96	181	96
FMDQ Holdings	6,458	6,553	6,458	6,553
Nigerian mortage refinance company plc.	291	291	291	291
Credit reference company	396	493	396	493
NG Clearing Limited	372	447	372	447
Capital Alliance Equity Fund	4,492	3,902	4,492	3,902
Shared agent network expansion facility	50	50	50	50
Others	280	284	-	-
	162,836	**165,503**	**162,556**	**165,219**

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

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

Group — **June 2022**

At fair value through other comprehensive income
In millions of Naira

	Fair value	ECL
Debt securities		
Government bonds	211,228	12
Treasury bills	1,072,899	36
Eurobonds	131,069	209
Corporate bonds	16,957	95
State government bonds	47,992	511
Promissory notes	12,310	-
Total	**1,492,455**	**863**

At amortised cost
In millions of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	507,875	246	507,629
Treasury bills	357,294	3	357,290
Eurobonds	211,996	9	211,987
Corporate bonds	7,584	593	6,991
State government bonds	5,594	15	5,579
FGN Promissory notes	16,250	1	16,249
Total	**1,106,592**	**866**	**1,105,725**

Bank

At fair value through other comprehensive income
In millions of Naira

	Fair value	ECL
Debt securities		
Government bonds	45,907	12
Treasury bills	646,148	35
Eurobonds	115,726	23
Corporate bonds	16,957	61
State government bonds	47,992	511
Commercial Paper	2,958	1
Promissory notes	12,310	-
Total	**887,999**	**644**

At amortised cost
In millions of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	332,493	15	332,478
Treasury bills	269,903	3	269,900
Eurobonds	205,342	9	205,333
Corporate bonds	8,827	593	8,234
State government bonds	5,594	15	5,579
Promissory notes	16,251	1	16,250
Total	**838,410**	**635**	**837,775**

Group

Debt instruments at fair value through other comprehensive income — **June 2022**
In millions of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	624,126	-	-	624,126
Standard grade	23,920	-	-	23,920
Non-Investment	845,278	2,088	-	847,366
Total	**1,493,325**	**2,088**	**-**	**1,495,413**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	468	-	-	468
- Charge for the period	418	30	-	448
Foreign exchange adjustments	(53)	-	-	(53)
At 30 June 2022	**833**	**30**	**-**	**864**

Financial instruments at amortised cost
In millions of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	226,659	-	-	226,659
Standard grade	-	-	-	-
Non-Investment	664,841	215,093	-	879,934
Total	**891,500**	**215,093**	**-**	**1,106,592**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	1,270	735	-	2,005
Acquired from business combination	-	-	-	-
- Charge for the period	(964)	(135)	-	(1,099)
Amounts written off	-	-	-	-
Foreign exchange adjustments	(40)	-	-	(40)
Write back	-	-	-	-
At 30 June 2022	**265**	**601**	**-**	**866**

June 2022

Bank

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

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	16,712	-	-	16,712
Standard grade	23,920	-	-	23,920
Non-Investment	845,278	2,088	-	847,366
Total	**885,911**	**2,088**	**-**	**887,999**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	222	-	-	222
- Charge for the period	392	30	-	422
Write back	-	-	-	-
At 30 June 2022	**614**	**30**	**-**	**644**

Financial instruments at amortised cost
In millions of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	4,969	-	-	4,968
Standard grade	-	-	-	-
Non-Investment	664,841	208,438	-	873,280
Total	**669,810**	**208,438**	**-**	**878,248**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	273	735	-	1,008
- Charge for the period	(238)	(135)	-	(373)
Write back	-	-	-	-
At 30 June 2022	**35**	**601**	**-**	**635**

26 Restricted deposits and other assets

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Financial assets				
Accounts receivable (see note (a)below)	116,000	95,773	72,690	55,393
Receivable from Parent company	46,476	-	46,476	-
Receivable on E-business channels (see note (b)below)	68,088	90,853	66,545	90,189
Deposit for investment in AGSMEIS (see note (c)below)	17,365	17,365	17,365	17,365
Subscription for investment (see note (d)below)	3,443	12,807	3,443	12,807
Restricted deposits with central banks (see note (e)below)	1,830,711	1,466,414	1,761,614	1,406,614
	2,082,082	1,683,212	1,968,133	1,582,369
Non-financial assets				
Prepayments	50,790	26,188	40,331	20,404
Inventory (see note (f)below)	1,910	2,361	1,246	1,832
	52,700	28,549	41,577	22,236
Gross other assets	2,134,782	1,711,761	2,009,710	1,604,605
Allowance for impairment on other assets				
Financial assets	(5,895)	(4,407)	(4,485)	(3,163)
Non-financial assets	(66)	(63)	(66)	(63)
	(5,961)	(4,471)	(4,551)	(3,226)
	2,128,820	**1,707,290**	**2,005,159**	**1,601,379**
Classified as:				
Current	277,368	210,767	222,803	164,656
Non current	1,851,453	1,496,523	1,782,356	1,436,723
	2,128,821	**1,707,290**	**2,005,159**	**1,601,379**

Movement in allowance for impairment on other assets:

In millions of Naira	Group	Bank
Balance as at 1 January 2021	6,150	5,976
ECL allowance for the period:		
Acquired from business combination	26	-
- Additional provision	879	710
- Provision no longer required	-	-
Net impairment	905	710
Allowance written back	-	-
Allowance written off	(3,459)	(3,459)
-Reclassification	648	-
-Transalation difference	227	-
Balance as at 31 December 2021/1 January 2022	4,471	3,226

ECL allowance for the period:		
- Additional provision	2,256	2,256
- Writeback		
Net ECL allowance	2,256	2,256
Acquired from business combination	-	-
Allowance written back	-	-
- Write Off	(932)	(932)
-Reclassification	-	-
-Translation difference	166	-
Balance as at 30 June 2022	5,961	4,550

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

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

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

(d) Subscription for investment balance relates to deposits paid for the acquisition of equity investments for which shares have not been issued to the Bank.

(e) Restricted deposits with central banks comprise the cash reserve requirements of the Central Bank of Nigeria and other central banks of jurisdictions that the Group operates in as well as the special intervention fund with the Central Bank of Nigeria 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.

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

27a Investments in associates

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Balance, beginning of period	2,641	-	2,548	-
Acquisition cost of additional interest during the period	886	2,032	886	2,032
Fair value of initial interest in associate	-	516		516
Share of profit for the period	118	93	-	-
Balance, end of period	3,645	2,641	3,434	2,548

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

	E-tranzact June 2022	E-tranzact December 2021
Assets		
Cash and balances with banks	11,136	5,968
Inventories	1,193	1,279
Trade and other receivables	941	954
Other assets	2,270	1,251
Deposit for shares	457	457
Intangible assets	124	149
Investment property	137	137
Property, plant and equipment	835	779
Total Assets	17,092	10,972
Financed by:		
Current tax liabilities	411	333
Trade and other payables	7,705	7,802
Long Term Loan	333	368
Deferred Grant Income	107	98
Deferred Tax Liabilities	-	-
Total Liabilities	8,557	8,601
Net Assets	**8,535**	**2,371**

Reconciliation to carrying amounts:

	June 2022
Opening Net Assets (1 January 2022)	2,371
Additions through right issue	-
Irredeemable Convertible Debenture	5,713
Profit for the period	409
Other comprehensive income	43
Closing net assets (30 June 2022)	8,535

Summary statement of comprehensive income	**June 2022**
Revenue	11,621
Cost of sales	(9,677)
Selling and marketing costs	(63)
Adminsitrative expenses	(1,404)
Other income	-
Finance cost	(11)
Investment income	136
Taxation	(192)
Profit for the period	409

Reconciliation of net asset in associate

Interest in Associate's net asset - (Etz: 28.86%)	2,371
Notional goodwill on investment in associate	2,919
Impact of changes in net assets	(1,767)
Impact of changes in Percentage Holding	29
Other comprehensive income	93
Carrying amount of investment in associates	3,645
Carrying value	3,645

E-tranzact (ETRAN), a fully integrated fintech platform in Africa was founded in 2003 and is one of the leading independent players in Lagos, Nigeria with a diversified license and product capabilities. The company has enjoyed continuous and consistent growth in top line revenue and subscriber base and activity over the past 5 years and is positioned for continuous growth post Covid.

The Group holds an equity interest of 1,914,677,783 ordinary shares of 50k each in E-tranzact International Plc as at 30 June 2022, representing 28.86% equity participation in the company. No dividend income was received from ETRAN during the year. The group's effective ownership in ETRAN increased from 23.80% in 2021 to 28.86% in 2022 as the bank acquired more shares from the company. The proportion of the Bank's interest is the same as the proportion of voting rights. As at 30th June 2022, the fair value of the Bank's investment was N4.21Bn

There are published price quotations for the associate on the Nigerian Stock Exchange. There are no significant restrictions on the ability of the associates to transfer funds to the group in the form of cash dividends, or repayments of loans or advances. The associate was accounted for using the equity method at the Group level and cost at the Bank level.

The Group exercises significant influence in E-tranzact International Limited by virtue of its more than 20% shareholding in the entity and the representation of one director on the board of the company and significant participation in the company's operating and financial policies.

The exisiting investment the Bank had in Etranzact was initially recognized in the books under equity instruments measured at Fair value through profit or loss. At the point of increasing the stakes of the Bank in Etranzact by means of the Right issue, the existing shares were reclasified to investment in associates at their fair value.

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

Set out below are the group's subsidiaries as at 30 June 2022. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

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

			Ownership interest	
	Nature of business	**Country of incorporation**	**June 2022**	**December 2021**
Access Bank Gambia Limited	Banking	Gambia	88.00%	88.00%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	99.19%	99.19%
Access Bank Rwanda Limited	Banking	Rwanda	91.22%	91.22%
Access Bank Zambia	Banking	Zambia	80.98%	80.98%
The Access Bank UK	Banking	United Kingdom	100.00%	100.00%
Access Bank R.D. Congo	Banking	Congo	99.98%	99.98%
Access Bank Ghana	Banking	Ghana	93.40%	93.40%
Access Pension Fund Custodian	Custody	Nigeria	100.00%	100.00%
Access Bank Guinea S.A	Banking	Guinea	100.00%	100.00%
Access Bank Mozambique	Banking	Mozambique	99.98%	99.98%
Access Bank Kenya	Banking	Kenya	99.98%	99.98%
Access Bank South Africa	Banking	South Africa	95.21%	90.35%
Access Bank Botswana	Banking	Botswana	78.15%	78.15%
Access Bank Cameroon	Banking	Cameroon	100.00%	0.00%

(ii) Structured entities:

			Ownership interest	
	Nature of business	**Country of incorporation**	**June 2022**	**December 2021**
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

27(c)(i) Investment in subsidiaries

In millions of Naira	**Bank June 2022**	**Bank December 2021**
Subsidiaries with continuing operations		
The Access Bank, UK	72,870	60,045
Access Bank, Ghana	32,196	32,196
Access Bank Rwanda	5,221	5,221
Access Bank, Congo	13,205	13,205
Access Bank, Zambia	8,411	8,411
Access Bank, Gambia	7,062	7,062
Access Bank, Sierra Leone	3,398	3,398
Access Bank, Guinea	5,441	5,441
Access Bank, Mozambique	15,310	15,310
Access Bank, Kenya	11,615	11,615
Investment in RSPP scheme	6,586	6,433
Access Bank Pension Fund Custodian	2,000	2,000
Access Bank, South Africa	21,571	11,412
Access Bank Botswana	34,111	34,028
Access Bank, Cameroon	10,392	-
Balance, end of period	**249,387**	**215,775**

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 N249.39Bn

27 (d) Condensed results of consolidated entities

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

Condensed profit and loss *In millions of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana	Access Bank Cameroon
Operating income	23,962	29,979	2,821	7,172	5,090	1,023	2,077	-	435	148	6,264	2,699	3,481	8,179	147
Operating expenses	(7,880)	(8,163)	(1,584)	(3,940)	(3,511)	(505)	(1,078)	-	(887)	-	(5,508)	(1,881)	(5,483)	(7,035)	(592)
Net impairment loss on financial assets	(4,108)	(593)	(12)	-	660	(2)	(27)	-	-	-	62	-	(246)	390	-
Profit before tax	11,974	21,224	1,225	3,232	2,239	516	973	-	(452)	148	818	818	(2,247)	1,535	(446)
Income tax expense	(2,690)	(7,591)	(366)	-	(672)	(127)	-	-	-	-	(174)	-	-	-	-
Profit for the period	9,284	13,633	858	3,232	1,567	389	973	-	(452)	148	644	818	(2,247)	1,535	(446)

The condensed financial data of the consolidated entities as at December 2021 are as follows:

(ii) Assets

	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana	Access Bank Cameroon
Cash and cash equivalents	179,073	90,010	21,103	99,583	38,984	9,302	7,246	-	10,439	-	30,879	14,542	31,009	37,623	721
Non pledged trading assets	-	26,469	-	-	-	-	-	-	-	-	-	741	-	1,393	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	5,836	2,072	-	-	-	-	-	-	-	-	-	1,547	206	-
Loans and advances to banks	370,272	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	393,545	75,290	16,551	23,682	22,343	1,722	3,241	-	916	-	34,981	12,860	46,837	225,266	-
Investment securities	420,018	234,626	25,793	1,901	52,107	8,731	13,203	-	3,851	-	17,688	19,022	50,259	21,927	7,769
Investment properties	-	-	-	-	-	-	-		-	-	-	-	-	-	-
Other assets	10,368	9,116	2,208	4,829	4,540	8,642	1,425	-	551	-	8,128	1,642	930	3,549	995
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	1,166	-	-	-	-	-	-	7,751	-	-	-	-	-	-	-
Property and equipment	2,047	19,037	1,490	4,819	2,423	1,244	1,235	-	874	-	6,288	1,461	1,759	3,660	1,186
Intangible assets	1,351	106	663	162	492	208	291	-	367	-	1,086	643	2,180	3,616	-
Deferred tax assets	-	5,231	-	-	344	-	-	-	-	-	2,829	469	-	1,330	-
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	4,943	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,377,841	465,721	69,880	134,977	121,234	29,849	26,640	7,751	16,998	4,943	101,880	51,382	134,519	298,571	10,671
Financed by:															
Deposits from banks	736,179	47,925	-	-	21	3,506	3,815	-	5,803	-	0	9,130	274	0	3
Deposits from customers	447,551	248,886	55,421	99,747	90,315	20,732	15,801	-	4,864	-	79,425	34,433	88,770	231,908	1,266
Derivative Liability	54	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	4,839	-	-
Retirement benefit obligations	1	18	-	-	4	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	-	-	254	-	-	-	-	-	-	-	-	678	-	-	
Other liabilities	10,774	25,572	1,834	7,358	7,715	1,368	1,850	-	770	-	6,676	850	2,035	12,397	241
Interest-bearing loans and borrowings	-	58,095	1,999	4,113	6,089	-	-	-	-	-	-	-	22,380	17,954	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	206	1,892	178	-	-	45	13	-	9	-	-	-	-	-	-
Non - current liabilities held for sale	-		-	-	-	-				77	-	-	-	-	-
Equity	183,075	83,333	10,193	23,758	17,089	4,198	5,164	7,751	5,552	4,865	15,778	6,291	16,221	36,311	9,161
	1,377,841	465,721	69,880	134,977	121,234	29,849	26,650	7,751	16,998	4,943	101,880	51,382	134,519	298,571	10,671

	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana	Access Bank Cameroon
Net cashflows from investing activities	(164,848)	(660)	(2,540)	(758)	(14,198)	(2,090)	(3,361)	-	-	207	2,457	(1,898)	8,599	(2,028)	-
Net cashflows from financing activities	12,639	(1,044)	1,999	(1,343)	(443)	-	-	-	-	-	1,891	(308)	9,774	(7,073)	-
Net cashflows from operating activities	130,237	39,876	4,137	22,550	(11,730)	(2,700)	5,619	-	-	66	(8,232)	3,829	(6,441)	(3,029)	-
Increase in cash and cash equivalents	(21,972)	38,172	3,597	20,562	(26,370)	(4,790)	2,258	-	-	273	(3,883)	1,624	11,932	(12,131)	-
Cash and cash equivalent, beginning of period	225,400	45,163	23,867	50,877	64,768	14,085	2,553	-	-	3,530	3,410	11,568	(3,926)	61,147	-
Effect of exchange rate fluctuations on cash held	(19,430)	419	-	-	406	-	-	-	-	-	-	-	-	981	-
Cash and cash equivalent, end of period	183,999	83,754	27,463	71,439	38,803	9,295	4,811	-	-	3,803	(474)	13,192	8,007	49,998	-

27 (e) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at June 2021 are as follows:

Condensed profit and loss *In millions of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D.	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra	Access Bank Investme	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC	Access Bank Mozambiqu	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana
Operating income	26,345	24,590	2,234	5,086	4,164	654	1,066	-	7,945	2,137	4,993	-	320	-	27
Operating expenses	(7,432)	(8,443)	(1,471)	(3,009)	(2,547)	(421)	(641)	-	(6,806)	(1,436)	(5,818)	-	(200)	-	(24)
Net impairment loss on financial assets	(3,591)	(908)	(181)	-	(509)	8	-	-	(430)	(5)	(199)	-	1	-	-
Profit before tax	15,323	15,239	582	2,077	1,108	241	425	-	710	696	(1,024)	-	120	-	2
Income tax expense	(3,567)	(5,200)	(218)	-	(394)	(65)	-	-	-	-	-	-	-	-	-
Profit for the period	11,755	10,040	365	2,077	714	176	425	-	710	696	(1,024)	-	120	-	2

(ii) The condensed financial data of the consolidated entities as at De December 2020 are as follows:

Assets	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D.	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra	Access Bank Investme	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC	Access Bank Mozambiqu	Access Bank Kenya	Access Bank South Africa	Access Bank Botswana
Cash and cash equivalents	226,904	66,508	23,620	90,236	46,034	14,711	4,685	-	-	8,203	3,531	36,809	13,649	24,598	59,018
Non pledged trading assets	-	86,344	-	-	-	-	-	-	-	-	-	-	910	-	1,448
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	1,782	4,111	-	-	-	-	-	-	-	-	-	-	383	111
Loans and advances to banks	360,135	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	449,958	71,236	13,025	21,555	22,599	1,784	2,537	-	-	763	-	31,983	12,006	42,938	234,906
Investment securities	257,647	250,208	24,172	1,944	57,043	6,700	13,512	-	-	4,182	208	18,796	18,395	46,440	18,861
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	11,037	10,557	1,525	1,961	4,738	7,997	743	-	-	150	72	5,023	1,844	1,780	1,322
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	1,080	-	-	-	-	-	-	7,513	-	-	-	-	-	-	-
Property and equipment	2,602	24,653	1,706	4,426	2,643	1,216	961	-	-	867	811	6,689	1,641	1,771	3,675
Intangible assets	1,136	88	709	194	604	287	371	-	-	389	75	1,334	817	2,232	2,706
Deferred tax assets	-	3,743	-	2,025	438	-	-	-	-	-	-	2,263	328	-	-
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	190	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,310,500	515,121	68,868	122,341	134,098	32,695	22,809	7,513	-	14,554	4,887	102,897	49,590	120,143	322,048
Financed by:															
Deposits from banks	738,867	39,509	-	-	13,136	7,849	1,864	-	-	5,135	-	-	5,316	-	-
Deposits from customers	396,875	310,920	52,206	91,159	90,457	19,997	13,446	-	-	2,654	-	76,676	34,385	99,726	249,259
Derivative Liability	505	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	-	5,078	-
Retirement benefit obligations	5	22	-	-	4	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	-	-	479	-	1,227	-	-	-	-	-	-	-	712	-	(555)
Other liabilities	10,637	14,475	2,477	7,140	7,073	749	2,483	-	-	686	66	8,133	3,165	3,422	7,386
Interest-bearing loans and borrowings	-	54,290	4,186	5,408	6,496	-	-	-	-	-	-	1,904	-	1,993	24,547
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	102	2,478	179	-	-	36	20	-	-	32	34	444	-	-	(1,030)
Equity	163,509	93,427	9,340	18,635	15,705	4,065	4,996	7,513	-	6,047	4,788	15,741	6,012	9,924	42,440
	1,310,500	515,121	68,868	122,341	134,098	32,695	22,809	7,513	-	14,554	4,887	102,897	49,590	120,143	322,047
Net cashflows from investing activities	(107,805)	(114,131)	(2,386)	(1,218)	(36,006)	(2,733)	(7,726)	-	-	-	(202)	(3,325)	(1,272)	-	-
Net cashflows from financing activities	-	14,564	(1,456)	(743)	(33,003)	-	382	-	-	-	-	289	1,978	-	-
Net cashflows from operating activities	264,159	118,230	43,585	22,247	89,747	12,077	8,079	-	-	-	285	6,870	3,221	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in cash and cash equivalents	156,354	18,662	39,743	20,285	20,739	9,344	735	-	-	-	83	3,835	1,449	-	-
Cash and cash equivalent, beginning of period	70,736	66,823	98,338	50,194	13,407	6,913	1,496	-	-	-	3,435	1,759	-	-	-
Effect of exchange rate fluctuations on cash held	(180)	-	-	-	-	-	-	-	-	-	-	-	1,978	-	-
Cash and cash equivalent, end of period	226,909	85,485	138,081	70,478	34,146	16,257	2,230	-	-	-	3,519	5,594	3,427	-	-

28 (a) Property and equipment

Group

In millions of Naira

	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost							
Balance at 1 January 2022	137,621	32,985	45,393	86,838	30,367	21,461	354,665
Acquired from business combination	-	-	-	-	-	-	-
Acquisitions	2,954	155	5,160	7,565	1,389	18,853	36,075
Disposals	(566)	-	(180)	(361)	(2,099)	(503)	(3,709)
Write-offs	-	-	-	-	-	(132)	(132)
Transfers	62	-	127	729	-	(919)	-
Transfers to assets held for sale							
Translation difference	(2,777)	(2)	(818)	(956)	(495)	(2,327)	(7,375)
Balance at 30 June 2022	**137,357**	**33,138**	**49,809**	**94,544**	**29,162**	**35,513**	**379,524**
Balance at 1 January 2021	119,160	32,973	40,059	76,481	27,203	13,970	309,845
Acquired from business combination	5,608	-	780	1,408	74	67	7,937
Acquisitions	7,703	152	3,850	7,706	3,871	17,556	40,837
Disposals	(2,612)	(143)	(605)	(1,339)	(2,321)	(632)	(7,652)
Reclassifications	-	-	-	-	-	-	-
Write-offs	(38)	-	(52)	(165)	-	(17)	(273)
Transfers	5,333	-	805	1,776	1,280	(9,194)	-
Translation difference	2,466	3	557	971	260	(288)	3,970
Balance at 31 December 2021	137,621	32,985	45,393	86,838	30,367	21,461	354,665

Depreciation and impairment losses	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2022	21,062	-	33,919	62,537	19,448	-	136,965
Charge for the period (a)	2,144	-	2,658	5,616	2,150	-	12,568
Impairment Charge	-	-	-	-	-	-	-
Disposal	(483)	-	(158)	(321)	(1,405)	-	(2,367)
Write-Offs	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Translation difference	(160)	-	(727)	(891)	(265)	-	(2,044)
Balance at 30 June 2022	**22,562**	**-**	**35,691**	**66,940**	**19,929**	**-**	**145,122**
Balance at 1 January 2021	16,311	-	28,791	51,977	15,824	-	112,903
Charge for the period	4,073	-	5,178	10,800	4,603	-	24,653
Impairment Charge	-	-	-	-	-	-	-
Disposal	(903)	-	(208)	(490)	(1,157)	-	(2,758)
Write-Offs	(13)	-	(48)	(153)	-	-	(214)
Transfers	-	-	-	-	-	-	-
Translation difference	1,594	-	207	402	178	-	2,381
Balance at 31 December 2021	21,062	-	33,919	62,537	19,448	-	136,966

Carrying amounts	**114,794**	**33,138**	**14,119**	**27,605**	**9,233**	**35,513**	**234,402**
Right of use assets (see 28(b) below)	**26,772**	-	-	-	-	-	**26,773**
Balance at 30 June 2022	**141,566**	**33,138**	**14,119**	**27,605**	**9,233**	**35,513**	**261,174**
Balance at 31 December 2021	146,593	32,985	11,474	24,301	10,919	21,461	247,734

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

Total Depreciation charge (a+b)	**4,505**	-	**2,658**	**5,616**	**2,150**	-	**14,928**

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

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

The total balance for non current property and equipment for the period is N262Bn

Classified as:

Current	-	-	-	-	-	-	-
Non current	**114,794**	**33,138**	**14,119**	**27,605**	**9,233**	**35,513**	**234,401**
	114,794	**33,138**	**14,119**	**27,605**	**9,233**	**35,513**	**234,404**

28 (b) Leases
Group

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

i Right-of-use assets

	Building N'millions	Total N'millions
Opening balance as at 1 January 2022	42,405	42,405
Additions during the period	5,376	5,376
Disposals during the period	(6,145)	(6,145)
*Derecognition due to lease modifications	(417)	(417)
Translation difference	117	117
Closing balance as at 30 June 2022	**41,336**	**41,336**
Opening balance as at 1 January 2021	37,376	37,376
Acquired from business combination (Note 44)	682	682
Additions during the period	5,584	5,584
Disposals during the period	(356)	(356)
*Derecognition due to lease modifications	(410)	(410)
Translation difference	(470)	(470)
Closing balance as at 31 December 2021	42,405	42,405
Depreciation		
Opening balance as at 1 January 2022	12,371	12,371
Charge for the period (b)	2,360	2,360
Disposals during the period	-	-
*Derecognition due to lease modifications	(163)	(163)
Translation difference	(6)	(6)
Closing balance as at 30 June 2022	**14,563**	**14,563**
Net book value as at 30 June 2022	**26,773**	**26,772**

Opening balance as at 1 January 2021	7,839	7,839
Charge for the period	4,518	4,518
Disposals during the period	-	-
*Derecognition due to lease modifications	-	-
Translation difference	14	14
Closing balance as at 31 December 2021	12,371	12,371
Net book value as at 31 December 2021	30,034	30,034

ii **Amounts recognised in the statement of profit or loss**

	N'millions
Depreciation charge of right-of-use assets	1,125
Interest expense (included in finance cost)	333
Expense relating to short-term leases (included in other operating expenses)	-
Expense relating to leases of low-value assets (included in other operating expenses)	-
Total cash outflow for leases as at June 2022	2,047

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

28 (c) Property and equipment
Bank

In millions of Naira	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in - progress	Total
Cost							
Balance at 1 January 2022	111,191	32,319	36,704	78,283	25,709	9,283	293,489
Acquisitions	534	155	5,357	6,814	989	16,837	30,685
Disposals	(34)	-	(88)	(268)	(1,998)	(503)	(2,891)
Reclassification from(to) others	-	-	-	-	-	-	-
Transfers	54	-	127	621	-	(802)	-
Write-Offs	-	-	-	-	-	(132)	(132)
Balance at 30June 2022	**111,745**	**32,474**	**42,100**	**85,451**	**24,701**	**24,683**	**321,154**
Balance at 1 January 2021	104,658	32,432	33,274	70,355	24,276	6,728	271,722
Acquisitions	3,774	31	2,676	6,631	2,076	10,190	25,378
Disposals	(572)	(143)	(38)	(421)	(1,941)	(478)	(3,594)
Reclassification	-	-	-	-	-	-	-
Transfers	3,330	-	794	1,718	1,298	(7,140)	-
Write-Offs	-	-	-	-	-	(17)	(17)
Balance at 31 December 2021	111,191	32,319	36,704	78,283	25,709	9,283	293,490
Depreciation and impairment losses	**Leasehold improvement and buildings**	**Land**	**Computer hardware**	**Furniture & fittings**	**Motor vehicles**	**Capital work-in - progress**	**Total**
Balance at 1 January 2022	17,071	-	27,162	56,049	17,116	-	117,397
Charge for the period (a)	1,099	-	2,092	5,091	1,809	-	10,091
Disposal	(0)	-	(76)	(259)	(1,280)	-	(1,616)
Balance at 30June 2022	**18,169**	**-**	**29,179**	**60,881**	**17,644**	**-**	**125,872**
Balance at 1 January 2021	14,979	-	23,317	46,485	14,090	-	98,871
Charge for the period (a)	2,180	-	3,883	9,968	4,059	-	20,090
Impairment charge	-	-	-	-	-	-	-
Disposal	(88)	-	(38)	(404)	(1,032)	-	(1,562)
Balance at 31 December 2021	17,071	-	27,162	56,049	17,116	-	117,398
Carrying amounts	**93,577**	**32,474**	**12,921**	**24,570**	**7,056**	**24,683**	**195,282**
Right of use assets (see 28(d) below)	18,373	-	-	-	-	-	18,373
Balance at 30June 2022	**111,950**	**32,474**	**12,921**	**24,570**	**7,056**	**24,683**	**213,654**
Balance at 31 December 2021	112,099	32,319	9,543	22,234	8,593	9,283	194,071
Depreciation charge on property and equipment and right of use assets							
Total Depreciation/Impairment charge (a+b)	**2,415**	**-**	**2,092**	**5,091**	**1,809**	**-**	**11,407**

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

The total balance for non current property, plant and equipment for the period is N213.69Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**93,577**	**32,474**	**12,921**	**24,570**	**7,056**	**24,683**	**195,280**
	93,577	**32,474**	**12,921**	**24,570**	**7,056**	**24,683**	**195,280**

28 (d) Leases
Bank

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

i) Right-of-use assets

	Building N'millions	**Total N'millions**
Opening balance as at 1 January 2022	24,320	24,320
Additions during the period	1,964	1,964
Disposals during the period	-	-
*Reversals due to lease modifications	(417)	(417)
Closing balance as at 30 June 2022	**25,867**	**25,867**
Opening balance as at 1 January 2021	22,858	22,858
Additions during the period	1,872	1,872
Disposals during the period	-	-
*Reversals due to lease modifications	(410)	(410)
Closing balance as at 31 December 2021	24,320	24,320
Depreciation		
Opening balance as at 1 January 2022	6,341	6,341
Charge for the period (b)	1,317	1,317
Disposals during the period	-	-
*Reversals due to lease modifications	(163)	(163)
Closing balance as at 30 June 2022	**7,495**	**7,495**
Net book value as at 30 June 2022	**18,372**	**18,373**
Opening balance as at 1 January 2021	3,817	3,817
Charge for the period (b)	2,525	2,525
Disposals during the period	-	-
*Reversals due to lease modifications	-	-
Closing balance as at 31 December 2021	6,341	6,341
Net book value as at 31 December 2021	17,979	17,979

ii) Amounts recognised in the statement of profit or loss

	N'millions
Depreciation charge of right-of-use assets (buildings)	1,317
Interest expense (included in finance cost)	398
Expense relating to short-term leases (included in other operating expenses)	-
Expense relating to leases of low-value assets (included in other operating expenses)	-
Total cash outflow for leases as at June 2022	2,036

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

29 Intangible assets

Group

In millions of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total Intangible
Cost							
June 2022							
Balance at 1 January 2022	12,664	3,487	51,360	28,665	12,652	4,725	113,552
Arising from business combination (See note 44)	-	-	-	-	-	-	-
*Changes Arising from final assessment	83	-	-	-	-	-	83
Acquisitions	-	1,708	1,597	-	-	-	3,306
Reclassification	-	(387)	387	-	-	-	-
Write off	-	-	(115)	-	-	-	(115)
Translation difference	-	(176)	(892)	-	-	-	(1,067)
Balance at 30 June 2022	**12,747**	**4,633**	**52,338**	**28,665**	**12,652**	**4,725**	**115,759**
December 2021							
Balance at 1 January 2021	11,782	1,601	41,009	28,665	12,652	4,725	100,433
Arising from business combination (See note 44)	882	332	4,732	-	-	-	5,947
Acquisitions	-	2,807	5,224	-	-	-	8,031
Reclassification	-	(1,092)	1,092	-	-	-	-
Write off	-	(168)	(41)	-	-	-	(210)
Translation difference	-	7	(656)	-	-	-	(648)
Balance at 31 December 2021	12,664	3,487	51,360	28,665	12,652	4,725	113,552
Amortization and impairment losses							
Balance at 1 January 2022	-	-	30,559	7,883	3,479	1,299	43,219
Reclassification (a)	-	-	-	-	-	-	-
Amortization for the period	-	-	4,445	1,433	633	236	6,747
Write off	-	-	(2)	-	-	-	(2)
Translation difference	-	-	(885)	-	-	-	(885)
Balance at 30 June 2022	-	-	34,116	9,316	4,112	1,535	**49,078**
Balance at 1 January 2021	-	-	23,186	5,016	2,214	827	31,243
Amortization for the period	-	-	-	-	-	-	-
Impairment charge	-	-	8,370	2,866	1,265	472	12,974
Write off	-	-	(355)	-	-	-	(355)
Translation difference	-	-	(643)	-	-	-	(643)
Balance at 31 December 2021	-	-	30,559	7,883	3,479	1,299	43,220
Net Book Value							
Balance at 30 June 2022	**12,747**	**4,633**	**18,222**	**19,349**	**8,539**	**3,189**	**66,680**
Balance at 31 December 2021	12,664	3,487	20,801	20,782	9,172	3,425	70,332

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

Intangible assets
Bank

In millions of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total
Cost							
June 2022							
Balance at 1 January 2022	11,148	1,086	37,955	28,665	12,652	4,725	96,230
Acquisitions	-	493	634	-	-	-	1,128
Reclassification	-	(387)	387				-
Write off	-	(9)					(9)
Balance at 30 June 2022	**11,148**	**1,184**	**38,976**	**28,665**	**12,652**	**4,725**	**97,349**
December 2021							
Balance at 1 January 2021	11,148	1,113	36,604	28,665	12,652	4,725	94,906
Acquisitions	-	1,097	232	-	-	-	1,329
Reclassification	-	(1,119)	1,119	-	-	-	-
Write off	-	(5)	-	-	-	-	(5)
Balance at 31 December 2021	11,148	1,086	37,956	28,665	12,652	4,725	96,230
Amortization and impairment losses							
Balance at 1 January 2022	-	-	24,836	7,883	3,479	1,299	37,497
Amortization for the period	-	-	2,778	1,433	633	236	5,080
Balance at 30 June 2022	**-**	**-**	**27,613**	**9,316**	**4,112**	**1,535**	**42,577**
Balance at 1 January 2021	-	-	19,353	5,016	2,214	827	27,410
Amortization for the period	-	-	5,482	2,866	1,265	472	10,087
Balance at 31 December 2021	-	-	24,836	7,883	3,479	1,299	37,497
Carrying amounts							
Balance at 30 June 2022	**11,148**	**1,184**	**11,363**	**19,349**	**8,540**	**3,189**	**54,772**
Balance at 31 December 2021	11,148	1,086	13,120	20,782	9,172	3,425	58,733

Amortization method used is straight line.

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Classified as:				
Current	-	-	-	-
Non current	66,680	70,332	54,772	58,733

29(b) Intangible assets

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

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Diamond Bank Plc (see (a) below)	4,555	4,555	11,148	11,148
Access Bank Rwanda (see (b) below)	681	681	-	-
Access Bank Kenya (see (c) below)	6,547	6,546	-	-
Access Bank Botswana (see (d) below)	966	882	-	-
	12,749	**12,664**	**11,148**	**11,148**

(a) Diamond bank:
The recoverable amount of Goodwill as at 30 June 2022 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N121.56bn.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period and no losses on goodwill were recognized as at 30 June 2022 (31 December 2021: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Retail (Personal) Banking.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 3.19%. A discount rate of 22.32% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the period are as follows:

Terminal growth rate (i)	3.15%
Discount rate (ii)	22.45%

(i) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 22.32% was applied in determining the recoverable amounts for Diamond Bank Plc. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium of Access Bank.

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

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	13,316	(16,884)
Impact of change in growth rate on value-in-use computation (increase/(decrease)	(1,115)	1,079

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

(b) Access Bank Rwanda:
The recoverable amount of Goodwill as at 30 June 2022 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N11.64bn.
Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period and no losses on goodwill were recognized as at 30 June 2022 (31 December 2021: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Rwanda.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 6.21%. A discount rate of 22.63% 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 year. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the period are as follows:

	June 2022
Terminal growth rate (i)	6.21%
Discount rate (ii)	22.63%

(i) Terminal growth rate used to extrapolate cash flows beyond the budget period.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 22.63% was applied in determining the recoverable amounts for the goodwill of Access Bank Rwanda. This discount rate was estimated using beta, risk-free rate and the equity risk premium for Rwanda.

Terminal growth rate
Terminal growth rate applied was based on the long term growth rate in GDP of Rwanda.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(309)	313
Impact of change in growth rate on value-in-use computation (increase/(decrease)	549	(544)

(c) Access bank Kenya:

The recoverable amount of Goodwill as at 30 June 2022 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N44.04bn.

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

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Kenya.
Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 5.47%. A discount rate of 23.77% 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 year. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the period are as follows:

Terminal growth rate (i)	5.47%
Discount rate (ii)	23.77%

(i) Terminal growth rate used to extrapolate cash flows beyond the budget period.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 23.77% was applied in determining the recoverable amounts for the goodwill of Access Bank Kenya. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium of Access Bank.

Terminal growth rate

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

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

In thousands of Naira	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	6,003	(7,883)
Impact of change in growth rate on value-in-use computation (increase/(decrease)	(961)	906

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

(d) Access bank Botswana:

Goodwill represents the value derived from a larger branch network and combined synergies of operations . Goodwill is not deductible for tax purposes.

The goodwill of N966Mn arose from the acquisition of BancABC (now Access Bank Botswana). The change in goodwill as against the initial recognition relates to the changes arising from the post audit of the acquired net asset upon final assessment. The initial goodwill recognized was provisional as the net assets was still being audited. The final net asset led to a change in the purchase consideration based on the share purchse agreement leading to the changes observed in the goodwill initially recognized from previous year.

30 Deferred tax assets and liabilities

(a) Group

The following items gave rise to temporary differences during the period. Deferred tax assets and liabilities are attributable to the following items below:

In millions of Naira	June 2022 Assets	June 2022 Liabilities	June 2022 Net	December 2021 Assets	December 2021 Liabilities	December 2021 Net
Property and equipment, and software	18,096	(2,065)	16,031	28,125	(3,810)	24,314
Allowances/(Reversal) for loan losses	24,399	(1,151)	23,248	24,635	-	24,635
Tax loss carry forward	2,781	(429)	2,352	2,559	(147)	2,412
Exchange gain/(loss) unrealised	-	(30,850)	(30,850)	-	(49,236)	(49,236)
Acquired Deferred tax asset	-	-	-	-	-	-
Actuarial gain on retirement benefit obligation	8	(4)	4	9	(4)	5
Fair value gain on FVOCI investments	3,448	-	3,448	-	-	-
Deferred tax assets (net)	48,732	(34,499)	14,233	55,327	(53,198)	2,129

(b) Bank

Deferred tax assets and liabilities are attributable to the following:

In millions of Naira	June 2022 Assets	June 2022 Liabilities	June 2022 Net	December 2021 Assets	December 2021 Liabilities	December 2021 Net
Property and equipment, and software	17,143	-	17,143	25,364	-	25,364
Allowances/(Reversal) for loan losses	19,778	-	19,778	19,499	-	19,499
Tax loss carry forward	-	-	-	-	-	-
Exchange gain unrealised	-	(30,550)	(30,550)	-	(49,236)	(49,236)
Acquired Deferred tax asset	-	-	-	-	-	-
Fair value gain on equity investments	-	-	-	-	-	-
Deferred tax on retirement benefit obligation	-	-	-	-	-	-
Deferred tax assets/(liabilities)	36,920	(30,550)	6,370	44,863	(49,236)	(4,374)

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.

The amount of unrecognised deferred tax asset as at June 30, 2022 is N45.91 billion (December 31, 2021: N45.91bn).

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Deferred income tax assets				
– Deferred income tax asset to be recovered after more than 12 months	39,283	48,954	36,920	44,863
– Deferred income tax asset to be recovered within 12 months	9,449	6,373	-	-
	48,732	55,327	36,920	44,863
Deferred income tax liabilities				
– Deferred income tax liability to be recovered after more than 12 months	(3,645)	(3,957)	-	-
– Deferred income tax liability to be recovered within 12 months	(30,854)	(49,241)	(30,551)	(49,236)
	(34,499)	(53,198)	(30,551)	(49,236)

30 Deferred tax assets and liabilities

(c) Movement on the net deferred tax assets / (liabilities) account during the period:

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Balance, beginning of period	2,129	(10,637)	(4,374)	(11,926)
Acquired from Business Combination	-	2,999	-	-
Tax charge	7,348	9,823	10,130	8,039
Translation adjustments	4,147	431	-	-
Prior adjustment on deferred tax on revaluation gain	(5)			
Items included in OCI	614	(487)	614	(487)
Net deferred tax assets/(liabilities)	14,233	2,129	6,370	(4,374)
Out of which				
Deferred tax assets	48,732	55,327	36,920	44,863
Deferred tax liabilities	(34,499)	(53,199)	(30,551)	(49,237)

Entity	Group June 2022 Deferred Tax Assets	Group June 2022 Deferred Tax liabilities	Group December 2021 Deferred Tax Assets	Group December 2021 Deferred Tax liabilities
Access Bank Sierra Leone	-	10	-	20
Access Bank Rwanda	-	169	-	179
Access Bank United Kingdom	205	-	-	102
Access Bank Ghana	5,839	-	3,743	2,478
Access Pensions	29	-	-	34
Access Bank Congo	-	284	2,025	-
Access Bank Gambia	45	-	-	36
Access Bank Zambia	238	-	438	-
Access Bank Kenya	469	-	328	-
Access Bank Mozambique	2,829	-	2,263	444
Access Bank Botswana	-	1,330	1,030	-
Access Bank Guinea	-	-	-	32
Access Bank Nigeria	6,370	-	-	4,374
Total Deferred Tax	**16,027**	**1,792**	**9,827**	**7,698**

Temporary difference relating to the Group's Investment in subsidiaries as at 30 June 2022 is N60.93billion (Dec 2021: N60.63billion). 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 milllions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Actuarial (loss)/gain on retirement benefit obligation				
Gross (loss)/gain on retirement benefit obligation	1,891	(1,499)	1,891	(1,499)
Deferred tax @ 32.5%	(614)	487	(614)	487
Net balance loss after tax	1,276	(1,012)	1,276	(1,012)

Deferred Tax asset

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Classified as:				
Current	9,449	6,373	-	-
Non current	39,283	48,954	36,920	44,863

Deferred Tax liability

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Classified as:				
Current	(30,854)	(49,241)	(30,551)	(49,236)
Non current	(3,645)	(3,957)	-	-

31a Investment properties

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Balance at 1 January	217	217	217	217
Balance, end of period	**217**	**217**	**217**	**217**

Investment property of N217 million for the Group, represents the value of landed properties which are carried and measured at fair value. There was no rental income from such properties during the period and no restrictions on the realisability of the property.

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

The professional valuers engaged for the preparation of the valuation reports is Paul Osaji and Company (FRC/2013/00000000001098)

All investment properties have been classified as non current with a carrying amount of N217 million for Group and N217 million for Bank

31b Assets classified as held for sale

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Balance at 1 January	42,737	28,318	42,547	28,128
Additions	-	15,703	-	15,703
Disposals	(8,384)	(995)	(8,384)	(995)
Impairment	-	(290)	-	(290)
Transfers from assets held for sale	(190)	-	-	-
	34,163	**42,737**	**34,163**	**42,547**
Total Asset from Access Pension Funds Custodian				
See Note 46	4,943	-	-	-
	39,106	**42,737**	**34,163**	**42,547**

The total balance for non current financial assets held for sale for the period is N39.12Bn for Group and N34.16Bn for Bank

Classified as:				
Current	39,106	42,737	34,163	42,547
Non current	-	-	-	-

The professional valuers engaged for the preparation of the valuation reports are: Ubosi Eleh and Company (FRC/2014/00000003997), Odudu and Company (FRC/2012/NIESV/00000000198), Paul Osaji and Company (FRC/2013/00000000001098), Banjo Adeleke and Company (FRC/2013/NIESV/00000003314); and Osas and Oseji (FRC/2012/000000000522). This largely comprises of Land and buildings. The items in non-current asset held for sale are repossessed collateral and this is seen in Note 5.1.3 (g)

32 Deposits from financial institutions

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Money market deposits	873,963	623,104	843,697	559,169
Trade related obligations to foreign banks	1,201,453	1,073,417	882,011	863,538
	2,075,416	**1,696,521**	**1,725,708**	**1,422,707**
Current	2,072,205	1,695,772	1,723,839	1,422,037
Non-current	3,211	749	1,869	671

33 Deposits from customers

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Term deposits	3,095,099	2,895,246	2,440,583	2,148,479
Demand deposits	3,182,936	2,567,799	2,491,966	1,957,006
Saving deposits	1,561,339	1,491,782	1,487,342	1,411,583
	7,839,374	**6,954,828**	**6,419,891**	**5,517,069**
Current	7,792,007	6,943,801	6,392,315	5,507,173
Non-current	47,367	11,027	27,576	9,896

34 Other liabilities

In millions of Naira		Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Financial liabilities					
Certified and bank cheques		4,293	3,414	4,016	3,364
E-banking payables	(see (a) below)	38,029	68,731	36,536	65,913
Collections account balances	(see (b) below)	373,648	292,292	368,510	285,363
Due to subsidiaries		-	-	312	457
Accruals		8,049	8,719	28	244
Contribution to Industrial Training Fund (ITF)		323	457	323	457
Creditors		42,497	29,242	4,350	4,801
Payable on AMCON		441	861	441	861
Customer deposits for foreign exchange	(see (c) below)	87,426	83,902	87,426	83,902
Unclaimed dividend	(see (d) below)	17,370	17,278	17,370	17,278
Lease liabilities		11,534	15,306	5,862	5,893
Other financial liabilities		35,826	34,005	20,569	21,441
ECL on off-balance sheet	(see (e) below)	7,122	1,932	7,001	1,759
		626,558	556,140	552,745	491,733
Non-financial liabilities					
Litigation claims provision	(see (f) below)	2,844	2,537	2,770	2,470
Other non-financial liabilities		4,331	2,028	1,925	948
Total other liabilities		**633,733**	**560,705**	**557,439**	**495,151**
Classified as:					
Current		624,406	545,637	551,800	489,257
Non current		9,327	15,068	5,640	5,893
		633,733	**560,705**	**557,439**	**495,151**

(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.

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

(e) Movement in ECL on contingents	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Opening balance at 1 January 2022/31 December 2021	1,932	2,740	1,759	2,619
Charge/(write back) for the period	5,267	(893)	5,242	(860)
Reclassification	-	-	-	-
Revaluation difference	(78)	85	-	-
Balance, end of period	7,122	1,932	7,001	1,759

(f) Movement in litigation claims provision	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Opening balance	2,536	1,920	2,469	1,920
Additions	308	617	301	550
Closing balance	**2,844**	**2,536**	**2,770**	**2,469**

ii Lease liabilities

	Group N'millions	Bank N'millions
Opening balance as at 1 January 2022	15,306	5,893
Acquired from business combination	-	-
Additions	3,581	362
Interest expense	(1,671)	398
Lease payments	(5,711)	(434)
Leases terminations in the year	-	-
*Derecognition due to lease modifications	(357)	(357)
Translation difference	386	-
Closing balance as at 30 June 2022	**11,534**	**5,862**

Current lease liabilities	2,207	222
Non-current lease liabilities	9,327	5,640
	11,534	**5,862**

ii **Lease liabilities**

	Group N'millions	Bank N'millions
Opening balance as at 1 January 2021	13,588	5,385
Acquired from business combination	830	-
Additions	1,612	729
Interest expense	1,215	739
Lease payments	(2,560)	(242)
*Derecognition due to lease modifications	(719)	(719)
Translation difference	1,341	-
Closing balance as at 31 December 2021	**15,306**	**5,893**
Current lease liabilities	3,832	238
Non-current lease liabilities	11,475	5,655
	15,306	**5,893**

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

	Group N'millions	Bank N'millions
Less than 6 months	867	300
6-12 months	1,747	612
Between 1 and 2 years	2,196	1,345
Between 2 and 5 years	3,327	1,909
Above 5 years	3,414	1,712
Closing balance as at 30 June 2022	**11,551**	**5,879**
Carrying amount	11,534	5,862

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

35 **Debt securities issued**

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	212,349	213,609	212,349	213,609
Green Bond (see (ii) below)	36,701	15,468	36,701	15,468
Local Bond (see (iii) below)	31,454	31,567	31,708	31,567
Debentures (see (iv) below)	3,851	3,851	-	-
	284,354	**264,495**	**280,758**	**260,644**

Movement in Debt securities issued:

In millions of Naira	Group June 2022	Bank June 2022
Net debt as at 1 January 2022	264,495	260,644
Debt securities issued	21,065	21,065
Repayment of debt securities issued	-	-
Total changes from financing cash flows	285,560	281,709
The effect of changes in foreign exchange rates	(2,848)	(2,151)
Other changes		
Interest expense	11,303	11,138
Interest paid	(9,660)	(9,938)
Balance as at 30 June 2022	**284,355**	**280,758**

In millions of Naira	Group December 2021	Bank December 2021
Net debt as at 1 January 2021	169,160	169,160
Arising from business combination	-	-
Debt securities issued	208,961	204,946
Repayment of debt securities issued	(123,972)	(123,972)
Total changes from financing cash flows	254,149	250,134
The effect of changes in foreign exchange rates	8,506	8,857
Other changes		
Interest expense	21,734	21,547
Interest paid	(19,894)	(19,894)
Balance as at 31 December 2021	**264,495**	**260,644**

(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. During the period, the Bank issued a puttable Senior unsecured USD$50,000,000 Step-Up Green Notes on May 3, 2022 with a coupon rate of 5.50% and 7.25% at put option date (May 3, 2024) payable semi-annually. The bond has a tenor of 5 years and is due on May, 2027.

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

(iv) Access South Africa issued a Tier II subordinated convertible debenture of 183Mn South African Rand on June, 30, 2021 with a coupon rate of 2% above 6 months JIBAR payable semi-annually. The bond has a tenor of 5 years and is due on September, 2026. The Bonds have a call option date of 1st July, 2026 and the issuer's call is subject to supervisory's approval.

36 Interest bearing borrowings

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
African Development Bank (see note (a))	10,748	13,437	10,748	13,437
Netherlands Development Finance Company (see note (b))	132,624	140,460	120,489	126,719
French Development Finance Company (see note (c))	-	-	-	-
European Investment Bank (see note (d))	27,087	32,502	26,818	31,920
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	2,950	3,454	2,950	3,454
International Finance Corporation (see note (f))	37,053	58,767	37,053	58,767
French Development Agency (see note (g))	10,866	11,851	10,866	11,851
Mashreq Bank PSC Syndicated Trade Finance Facility (see note (h))	291,982	269,932	270,580	269,932
Overseas Private Investment Corporation (OPIC) (see note (i))	6,379	8,457	-	-
Botswana Development Corporation Limited (see note (j))	5,291	5,367	-	-
Microfinance Enhancement Facility SA, SICAV-SIF (MEF) (see note (k))	-	4,308	-	-
Botswana Building Society - long term loan (see note (l))	113	149	-	-
Société De Promotion Et De Participation Pour La Coopératio Économique S.A	4,280	4,266	-	-
Kgori Capital Proprietary Limited (see note (n))	756	800	-	-
Central Bank of Rwanda (see note (o))	1,999	4,186	-	-
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (p))	6,173	6,002	6,173	6,002
Central Bank of Nigeria - Shared Agent Network Expansion Facility (SANEF) (	1,866	2,027	1,866	2,027
Bank of Industry-Power & Airline Intervention Fund (see note (r))	1,396	1,892	1,396	1,892
Special Refinancing & Restructuring Intervention fund (SRRIF) (see note (s))	1,941	2,380	1,941	2,380
Central Bank of Nigeria - Salary Bailout facilities (see note (t))	61,761	61,358	61,761	61,358
Central Bank of Nigeria - Excess Crude Account (see note (u))	111,432	110,798	111,432	110,798
Real Sector And Support Facility (RSSF) (see note (v))	13,135	13,884	13,135	13,884
Development Bank of Nigeria (DBN) (see note (w))	73,385	73,892	73,385	73,892
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement	343,966	211,804	343,966	211,804
Nigeria Mortgage Refinance Company (NMRC) (see note (y))	5,466	5,564	5,466	5,564
Africa Export and Import Bank (AFREXIM) (see note (z))	15,320	30,848	15,320	30,848
Diamond finance B V (Anambra State Government) (see note (aa))	-	-	-	-
BOI Power and steel (PAIF) (see note (ab))	8,838	10,374	8,838	10,374
Creative Industry Financing Initiative Fund (CIFI) (see note (ac))	1,432	1,625	1,432	1,625
Accelerated Agricultural Development Scheme (AADS) (see note (ad))	2,830	2,085	2,830	2,085
Non-Oil Export Stimulation Facility (NESF) (see note (ae))	4,019	4,022	4,019	4,022
Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement S	20,017	16,739	20,017	16,739
Lagos State Employment Trust Fund (LESTF) W Initiative (see note (ag))	1,026	1,001	1,026	1,001
ECOWAS Bank for Investment and Development (EBID) (see note (ah))	8,703	2,329	-	-
Standard Chartered Bank GH. Ltd (see note (ai))	-	12,575	-	-
Bunge SA (see note (aj))	3,717	4,096	-	-
Cargill, Inc (see note (ak))	3,388	3,621	-	-
JP Morgan Chase Bank N.A. (see note (al))	7,615	8,265	-	-
FCC Securities (see note (am))	11,412	12,398	-	-
Norsad Finance Limited (see note (an))	977	1,993	-	-
Bank of Zambia - (TMTRF) (see note (ao))	6,089	6,057	-	-
ABC Holdings Ltd (see note (ap))	-	1,904	-	-
Other loans and borrowings	16,169	3,789	65	60
	1,264,203	**1,171,260**	**1,153,572**	**1,072,435**

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

(a) The amount of N10,747,998,339 (USD 25,512,113) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in two tranches. The first tranche of USD35 million has matured and was fully paid out in August 2016. The second tranche was disbursed in August 2014 (USD 90m) for a period of 10years, while the third tranche came in June 2016 for (USD 10m) for a period of 9 years. The principal amount is repayable semi-annually starting from February 2017 for both tranches. Interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(b) The amount of N132,623,820,446 (USD 314,804,102) 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) and 2020 (USD 93.8m)for a period of 5 years, 10 years and 10 years respectively. The principal amount is repayable semi-annually from July 2019, quarterly from May 2019 and January 2026 respectively while interest is paid semi annually at 5.5% above 6 months LIBOR, quarterly at 7.83% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and quarterly at 9.61%. It also includes the facility granted to Ghana in July 2018 for a period of 7 years at 6.88% with interest and principal (starting June 2023) payable semi-annually. Two facilities were also granted to Congo in Dec 2019 for a period of 5 and 3 years respectively with the principal amount repayale semi-annually from Jan 2022 and Jan 2021 respectively while interest is paid semi annually at 4.2% above LIBOR and 4% above LIBOR respectively. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(c) This on-lending facility was 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. The Group had no defaults of principal or interest with respect to its subordinated liabilities during the life of the facility. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(d) The amount of N27,086,621,212 (USD 64,294,479) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m), March 2016 (USD 27.1m) and July 2020 (USD 68.7m) for a period of 6 years each for the first three, a period of 8 years each for the next two and a period of 5 years for the last one. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6%, 2.6% respectively above 6 months LIBOR and 3.04% for the last one. It also includes the facility granted to Ghana in Oct 2016 for a period of 7 years. Principal and interest are paid semi-annually at 4.57%. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(e) The amount of N2,950,031,833 (USD 7,002,378) represents the outstanding balance on the on-lending facility of USD 15mn granted to the Bank by the Deutsche Investitions-und Entwicklungsgesellschaft (DEG) in December 2017 (USD 15m) for a period of 7 and a half years. The principal amount will be repayable semi-annually from May 2019 while interest is paid semi annually at 7.69% above 6months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(f) The amount of N37,053,227,810 (USD 87,951,833) represents the outstanding balance on the on-lending facility of USD 87.5mn and USD 50mm granted to the Bank by International Finance Corporation for a period of 10 years and 1 year respectively. The principal amount will be repayable quarterly from September 2019 and October 2020 respectively, while interest is paid semi annually at 7.69% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and 4.25% above 6 months LIBOR for a year. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(g) The amount of N10,865,577,435 (USD 25,791,206) represents the outstanding balance on the on-lending facility of USD 30mn granted to the Bank by French Development Agency for a period of 8 years. The principal amount will be repayable semi annually from November 2020 while interest is paid quarterly at 3.57%. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(h) The amount of N291,982,409,565 (USD 693,067,505) represents the outstanding balance on the on-lending facility of USD 634.5mn granted to the Bank by the MashreqBank PSC in July 2021 for a year. The principal amount will be bullet at maturity July 2022 while interest is paid semi annually at 3.00% above 6months LIBOR. It also includes the facility granted to South Africa in June 2022 for a period of 1 year. Interest is paid quarterly at currently 5.0644% which includes (3m SOFR + 2.75% Margin + 0.26% CAS (Credit Adjustment Spread)) and Principal is to be paid at the end of term. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(i) The amount of N6,378,567,707 (USD 15,140,562) represents the outstanding balance on the on-lending facility of USD 40mn granted to Access Bank Botswana by the Overseas Private Investment Corporation (OPIC) in March 2017 for 7 years with a 3 year moratorium on principal. The principal amount will be paid in 16 equal installments upon expiration of the moratorium while interest is paid quarterly at 4.45% above 3 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(j) The amount of N5,290,678,936 (USD 12,558,282) represents the outstanding balance on the on-lending facility of BWP 150mn granted to Access Bank Botswana by the Botswana Development Corporation Ltd (BDC) in 2021 for 10 years. The principal amount will be bullet at maturity in 2031 while interest is paid semi-annually at 7.75%. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

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

(l) The amount of N113,000,852 (USD 268,225) represents the outstanding balance on the on-lending facility granted to Access Bank Botswana by the Botswana Building Society in January 2008 for 14 years. The principal amount is paid monthly and interest is also paid monthly at 4.5%. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(m) The amount of N4,280,479,033 (USD 10,160,409) represents the outstanding balance on the on-lending facility of USD 10mn granted to Access Bank Botswana by the Société De Promotion Et De Participation Pour La Coopératio Économique S.A. ('Proparco') in 2020 for 10 years. The principal amount will be bullet at maturity in April 2030 while interest is paid semi annually at 6.65% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(n) The amount of N756,478,864 (USD 1,795,625) represents the outstanding balance on the on-lending facility granted to Access Bank Botswana by the Kgori Capital Proprietary Limited, Botswana Insurance fund Management Proprietary Limited, Vunani Fund Managers and Morula Capital Partners in October 2016 for 7 years. The principal amount will be bullet at maturity in October 2022 while interest is paid semi annually at 8%. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(o) The amount of N1,999,405,409 (USD 4,745,912) represents the outstanding balance on the on-lending facility granted to Access Bank Rwanda by the Central Bank of Rwanda in 2021 for a year. The principal amount will be bullet at maturity in 2022 while interest is paid at maturity at 8%. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(p) The amount of N6,173,062,300 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum year of 7 years at a zero percent interest rate to the Bank. The Bank did not provide security for this facility. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(q) The amount of N1,866,198,591 represents an outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria, to facilitate the rapid rollout of agent networks across Nigeria supporting the expansion of a shared Agent Network to deepen financial inclusion in Nigeria. The total facility has a tenor of 10 years at a 5% interest rate and the facility is meant for CBN Licensed Mobile Money Operators and Super Agents. The principal amount will be repayable quarterly after the 1 year interest moratorium and the 2 years principal moratorium. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(r) The amount of N1,395,875,503 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 13.5 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(s) The amount of N1,941,410,318 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(t) The amount of N61,760,746,521 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(u) The amount of N111,431,814,315 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(v) The amount of N13,134,898,586 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) established by CBN. The facility tenor is for a range of 7 to 10 years inclusive of 24 months moratorium at a 3% interest rate to the Bank. An additional facility of NGN2bn was disbursed under the scheme for a period of 7 years inclusive of 1 year moratorium at a 3% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(w) The amount of N73,384,897,883 represents the outstanding balance on four on-lending facilities granted to the Bank by the Development Bank of Nigeria in two series in respect of the Micro, Small and Medium Scale Enterprises (MSMEs) and Small Corporates. The facilities are for a maximum of 3 years at a 9.6% interest rate to the Bank. A third series of about 1.68bn was disbursed for a period of 10 years. The fourth facility of about 70bn was disbursed for a period of 10 years at an interest rate of 10%. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(x) The amount of N343,966,444,832 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

(y) The amount of N5,466,462,327 represents the outstanding balance on the on-lending facility granted to the Bank by Nigeria Mortgage Refinance Company. The facility is for a maximum period of 15 years commencing from the date of execution of this agreement at a 14.5% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(z) The amount of N15,319,636,364 (USD 36,363,636) represents the outstanding balance on the on-lending facility of USD 25mn granted to the Bank by Africa Export and Import Bank (AFREXIM) in May 2018 for a period of 3 years. The principal amount will be repayable semi-annually from November 2018 while interest is paid quaterly at 7% above 3 months LIBOR. In December 2019, AFREXIM disbursed a USD200mn for a period of 3 years to be paid quarterly with a 6 months moratorium with Interest also paid quarterly at 3.64% and LIBOR. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(aa) This on-lending facility granted to the Bank under the Group's issued dollar denominated loan particpatory notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the Loan Participatory Notes, was used by the Issuer (Diamond Finance BV) for the sole purpose of providing a loan to Diamond Bank, which was in turn used by the Bank to support its business expansion and development. Diamond Bank (now Access Bank Plc), unconditionally and irrevocably guaranteed the due payment of all sums by the Issuer (Diamond Finance BV) in respect of the Notes. The Group had no defaults of principal or interest with respect to its subordinated liabilities during the life of the facility. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ab) The amount of N8,838,321,592 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7%. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 June 2022

(ac) The amount of N1,431,701,324 represents the outstanding balance on the on-lending facility granted to the Bank by the Central Bank of Nigeria under the Creative Industry Financing Initiative established by the CBN. The initiative is on a request by request basis. The tenor of the facilities granted ranges from 3 to 10 years inclusive of a maximum of 24 months moratorium. There are currently 14 beneficiaries under the initiative. The Bank is under obligation to on-lend to customers at an all-in interest rate of 9% with 2% remitted to CBN. The Bank remains the primary obligor to CBN and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ad) The amount of N2,830,132,666 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Accelerated Agricultural Development Scheme (AADS) on behalf of Bayelsa State Government. The facility is for a period of 3 years inclusive of 24 months moratorium at a 4% interest rate repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ae) The amount of N4,018,776,357 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Non-Oil Export Stimulation Facility (NESF) supporting Leaf Tobacco and Commodities Nigeria Limited in acquiring additional machinery for expansion of their facilities. The facility is for a period of 6 years inclusive of 12 months moratorium at a 1% interest rate repayable on a quarterly basis which will increase to 2% effective March 1, 2022. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(af) The amount of N20,017,037,303 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria through the Health Sector Intervention Facility (HSIF) window of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) supporting 8 beneficiaries (N7.6bn). The tenor of the facility ranges from 4 to 10 years inclusive of maximum moratorium of 12 months. The interest is set at 1% repayable on a quarterly basis which will increase to 2% effective March 2022. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ag) The amount of N1,026,027,397 represents the outstanding balance on the on-lending facility granted to the Bank by Lagos State Employment Trust Fund (LESTF) to support financial inclusion of women in Lagos state. The tenor of the facility is 2 years. The interest is set at 5% repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ah) The amount of N8,702,683,810 (USD 20,657,228) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by ECOWAS Bank for Investment and Development (EBID) for two different facilities which attracts an interest rate of 4.75% for 90 days and 2.75% for 63 days respectively disbursed on 29 June 2022 and 6 June 2022 all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ai) This on-lending facility granted to the Group's Subsidiary in Ghana by Standard Chartered Bank GH. Ltd. Two tranches were disbursed on 29 June 2021 and 3 June 2021 at an interest rate of 2.97% for 9 months and 1 year respectively where principal and interest is payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(aj) The amount of N3,717,391,327 (USD 8,823,829) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by Bunge SA which attracts an interest rate of 5.24% for 175 days was disbursed on 1 June 2022. The principal and interest are payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ak) The amount of N3,387,910,409 (USD 8,041,753) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by Cargill, Inc. which attracts an interest rate of 3.16% for 357 days was disbursed on 15 October 2021. The principal and interest are payable semi-annually. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(al) The amount of N7,615,442,389 (USD 18,076,485) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by JP Morgan Chase Bank N.A. which attracts an interest rate of 3.18% for 374 days was disbursed on 26 November 2021. The principal and interest are payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(am) The amount of N11,411,877,438 (USD 27,087,938) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by FCC Securities which attracts an interest rate of 3.18% for 371 days was disbursed on 29 November 2021. The principal and interest are payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(an) The amount of N977,445,461 (USD 2,320,125) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in South Africa by Norsad Finance Limited disbursed 30 January 2020 which attracts an interest rate of 5.5% plus 3 months JIBAR for 3 years with interest and principal paid quarterly. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ao) The amount of N6,089,473,459 (USD 14,454,350) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Zambia by Bank of Zambia - (TMTRF) which attracts an interest rate ranging from 7% to 10% with tenors ranging from 30 days to 7 years with eight different facilities disbursed on 31 July 2020, 10 March 2021, 3 December 2021 and 15 December 2021. Interest is payable quarterly after 12 months moratorium and principal is paid at maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

(ap) This on-lending facility granted to the Group's Subsidiary in Mozambique by ABC Holdings Ltd for two facilities disbursed on 1 Dec 2017 and 31 Dec 2016 for a period of 5 and 10 years respectively which attracts an interest rate of 8.5% and 14.25% respectively with Semi- annual repayment of interest and Principal on maturity. From this creditor, the bank has nil undrawn balance as at 30 June 2022.

Reconciliation of interest bearing borrowings

In millions of Naira	**Group** **June 2022**	**Bank** **June 2022**
Balance as at 1 January 2022	1,171,260	1,072,436
Proceeds from interest bearing borrowings	201,199	160,028
Arising from business combination	-	-
Repayment of interest bearing borrowings	(104,073)	(77,576)

Total changes from financing cash flows	1,268,386	1,154,889
The effect of changes in foreign exchange rates	(4,831)	(2,680)
Other changes		
Interest expense	23,069	21,137
Interest paid	(22,422)	(19,771)
Balance as at 30 June 2022	**1,264,203**	**1,153,572**

	Group December 2021	Bank December 2021
Balance as at 1 January 2021	791,455	755,254
Proceeds from interest bearing borrowings	429,362	389,440
Arising from business combination (Note 44)	31,567	-
Repayment of interest bearing borrowings	(114,479)	(100,040)
Total changes from financing cash flows	1,137,906	1,044,655
The effect of changes in foreign exchange rates	23,697	17,578
Other changes		
Interest expense	45,620	42,504
Interest paid	(35,963)	(32,302)
Balance as at 31 December 2021	**1,171,260**	**1,072,436**

37 Retirement benefit obligation

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Recognised liability for defined benefit obligations (see note (a) below)	3,677	3,846	3,677	3,846
Liability for defined contribution obligations	24	31	-	-
	3,701	**3,877**	**3,677**	**3,846**

(a) **Defined benefit obligations**

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

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Post employment benefit plan (see note (i) below)	3,676	3,846	3,677	3,846
Recognised liability	**3,676**	**3,846**	**3,677**	**3,846**

(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 June 2022	Group December 2021	Bank June 2022	Bank December 2021
Defined benefit obligations at 1 January	3,846	4,584	3,846	4,584
Charge for the period:				
-Interest costs	60	354	60	354
-Current service cost	159	406	159	406
-Past service cost	4,789	-	4,789	-
-Benefits paid	(7,067)	-	(7,067)	-
Net actuarial gain/(loss) for the period remeasured in OCI:	-	-	-	-
Remeasurements - Actuarial gains and losses arising from changes in economic assumptions	243	-	243	-
Remeasurements - Actuarial gains and losses arising from changes in salary increases	249	(52)	249	(52)
Remeasurements - Actuarial gains and losses arising from changes in promotions	434	-	434	-
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	-	(1,125)	-	(1,125)
Remeasurements - Actuarial gains and losses arising from changes in demograhic experience	0	(321)	0	(321)
Remeasurements - Actuarial gains and losses arising from changes in correction of past data	966		966	
Balance, end of period	**3,677**	**3,846**	**3,677**	**3,846**
Expense recognised in income statement:				
Current service cost	159	406	159	406
Interest on obligation	60	354	60	354
Total expense recognised in profit and loss (see Note 14)	**219**	**761**	**219**	**761**

All retired benefit obligations have been classified as non current with a closing amount of N3.86 billion for both Group and Bank

The weighted average duration of the defined benefit obligation is 4 years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment.

Risk exposure

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

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

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

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

The sensitivities below relates to Group and Bank.

June 2022

In millions of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.2%	3,868	(4,979)
Effect of changes in assumption to the salary growth	Decrease in the liability by 4.3%	3,518	(4,629)
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.1%	3,673	(4,784)

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 4.8%	3,501	(4,613)
Effect of changes in assumption to the salary growth	Increase in the liability by 4.6%	3,847	(4,959)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	3,682	(4,794)

December 2021

In milions of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.6%	4,013	(167)
Effect of changes in assumption to the salary growth	Decrease in liability by 4.9%	3,689	157
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	3,842	3

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.2%	3,689	157
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	4,012	(166)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	3,850	(4)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Actuarial assumptions:
Principal actuarial assumptions at the reporting date (expressed as weighted averages):
The most recent valuation was performed by Alexander Forbes as at 30 June 2022.

	June 2022	December 2021
Discount rate	11.40%	12.80%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	1.70%	1.70%
Withdrawal rate: 18 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 59 (average rate)	1.70%	1.70%

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 11.4% as at 30 June 2022. 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 millions of Naira	Bank June 2022	Bank December 2021
(a) Issued and fully paid-up :		
35,545,225,622 Ordinary shares of 50k each	17,773	17,773

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

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

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

In millions of Naira	Bank June 2022	Bank December 2021
Balance, beginning of the period	17,773	17,773
Balance, end of the period	17,773	17,773

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

In millions of units	Group June 2022	Group December 2021
Balance, beginning of the period	35,545	35,545
Balance, end of the period	35,545	35,545

B Share premium

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

In millions of Naira	Group June 2022	Group December 2021
Balance, beginning of the period	234,039	234,039
Balance, end of the period	234,039	234,039

C Additional Tier 1 Capital

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

The principal terms of the issue are described below:

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

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

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

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

In millions of Naira	Initial call date	Bank June 2022	Bank December 2021
U.S.$500,000,000 Perpetual Fixed Rate Resettable NC 5.25 Additional Tier 1 Subordinated Notes	2026	206,355	206,355
Balance, end of the period		**206,355**	**206,355**

D Retained earnings

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Retained earnings	404,529	397,273	280,208	304,778

E Other components of equity

	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Other regulatory reserves (see i(a) below)	145,641	136,728	120,928	111,767
Share Scheme reserve	2,983	3,217	2,284	2,190
Treasury Shares	(7,751)	(7,513)	-	-
Capital Reserve	3,489	3,489	3,489	3,489
Fair value reserve	(11,654)	(9,713)	(12,446)	(10,058)
Foreign currency translation reserve	8,602	38,191	-	-
Regulatory risk reserve	53,897	6,714	51,438	1,118
	195,206	**171,113**	**165,693**	**108,506**

(i) Other reserves

Other regulatory reserves

Statutory reserves

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

SMEEIS Reserves

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

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

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

i(a)

	Statutory reserves		SMEEIS Reserves		Total	
	June 2022	December 2021	June 2022	December 2021	June 2022	December 2021
Group						
In millions of Naira						
Opening	136,728	115,575	-	-	136,728	115,575
Transfers during the period	8,912	21,153	-	-	8,912	21,153
Closing	145,641	136,728	-	-	145,641	136,728
Bank						
In millions of Naira						
Opening	111,767	95,068	-	-	111,767	95,068
Transfers during the period	9,160	16,699	-	-	9,160	16,699
Closing	120,928	111,767	-	-	120,928	111,767

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

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

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

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

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

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

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

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

In millions of Naira	Group June 2022	Group December 2021
Access Bank, Gambia	565	592
Access Bank, Sierra Leone	39	49
Access Bank Zambia	3,215	4,253
Access Bank, Rwanda	891	919
Access Bank, Congo	7	5
Access Bank, Ghana	3,854	7,772
Access Bank, Mozambique	5	4
Access Bank, Kenya	1	1
Access Bank, South Africa	1,494	365
Access Bank, Botswana	7,556	9,517
Access Bank, Cameroon	-	-
	17,627	**23,477**

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

In millions of Naira	Group June 2022	Group June 2021
Access Bank, Gambia	47	40
Access Bank, Sierra Leone	8	8
Access Bank Zambia	298	507
Access Bank, Rwanda	75	62
Access Bank, Congo	2	1
Access Bank, Ghana	900	1,465
Access Bank, Mozambique	0	0
Access Bank, Kenya	0	0
Access Bank, South Africa	(217)	(318)
Access Bank, Botswana	335	123
Access Bank, Cameroon	-	-
	1,448	**1,888**

	Group June 2022	Group December 2021
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12.00%	12.00%
Access Bank, Sierra Leone	0.81%	0.81%
Access Bank Zambia	19.02%	19.02%
Access Bank, Rwanda	8.78%	8.78%
Access Bank Congo	0.02%	0.02%
Access Bank, Ghana	6.60%	6.60%
Access Bank, Mozambique	0.02%	0.02%
Access Bank, Kenya	0.02%	0.02%
Access Bank, South Africa	4.80%	9.65%
Access Bank, Botswana	21.85%	21.85%
Access Bank, Cameroon	0%	0%

G Dividends

In thousands of Naira	Bank June 2022	Bank December 2021
Interim dividend paid (June 2021: 30k)	-	10,664
Final dividend paid (Dec 2021: 70k, Dec 2020: 55k)	24,882	19,550
	24,882	**30,213**
Interim dividend proposed (Jun 2022: 27k)	9,597	-
Number of shares	35,545	35,545

The Directors proposed an interim dividend of 27k for the period ended 30 June 2022

39 Contingencies

Claims and litigation

The Group is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. N2.84Bn provision has been made as at 30 June 2022.

Contingent liability and commitments

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

Nature of instruments

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

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

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

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

a. These comprise:

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Contingent liabilities:				
Transaction related bonds and guarantees	558,586	518,560	499,837	448,678
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	811,769	618,809	576,964	437,456
	1,370,354	**1,137,369**	**1,076,802**	**886,134**

The Bank granted clean line facilities for letters of credit during the period to guarantee the performance of customers to third parties. Contractual capital commitments undertaken by the Bank during the period amounted to N10.3Bn (31 Dec 2021: N694.35 Mn)

The financial assets held by Access pension fund custodian in trust for customers for the period is listed below

b Pension assets under custody

	Access Pension Funds Custodian	
In millions of Naira	June 2022	December 2021
Cash	4,941	5,551
Mutual fund investments	3,513	3,788
Debt instruments	294,966	297,654
Quoted equity investments	27,053	29,639
Fixed deposits	59,451	61,263
Real estate	8,137	8,199
	398,061	**406,093**

40 Reconciliation to the Cash and cash equivalents

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

In millions of Naira	Group June 2022	Group December 2021	Bank June 2022	Bank December 2021
Cash on hand and balances with banks	660,354	1,078,727	470,072	758,741
Unrestricted balances with central banks	84,563	72,671	875	1,057
Money market placements	65,002	102,503	1,687	78,550
Investment under management	29,627	28,197	29,627	28,197
Treasury bills with original maturity of less than 90 days	167,651	246,825	167,651	246,825
	1,007,198	**1,528,923**	**669,913**	**1,113,369**

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

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

	Debt securities issued		Interest bearing borrowings	
	Group June 2022	Bank June 2022	Group June 2022	Bank June 2022
Net debt	264,495	260,644	1,171,260	1,072,436
Acquired from business combinations	-	-	-	-
Proceeds from interest bearing borrowings	-	-	201,199	160,028
Repayment of interest bearing borrowings	-	-	(104,073)	(77,576)
Debt securities issued	21,065	21,065	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	285,559	281,709	1,268,386	1,154,888
The effect of changes in foreign exchange rates	(2,848)	(2,151)	(4,831)	(2,680)
Other changes				
Interest expense	11,303	11,138	23,069	21,137
Interest paid	(9,660)	(9,938)	(22,422)	(19,771)
Balance	**284,354**	**280,758**	**1,264,203**	**1,153,573**

	Debt securities issued		Interest bearing borrowings	
	Group December 2021	Bank December 2021	Group December 2021	Bank December 2021
Net debt	169,160	169,160	791,455	755,254
Proceeds from interest bearing borrowings	-	-	429,362	389,440
Arising from business combination	-	-	31,567	-
Repayment of interest bearing borrowings	-	-	(114,479)	(100,040)
Debt securities issued	208,961	204,946	-	-
Repayment of debt securities issued	(123,972)	(123,972)	-	-
Total changes from financing cash flows	254,149	250,134	1,137,906	1,044,654
The effect of changes in foreign exchange rates	8,506	8,857	23,697	17,578
Other changes				
Interest expense	21,734	21,547	45,620	42,504
Interest paid	(19,894)	(19,894)	(35,963)	(32,302)
Balance	**264,495**	**260,644**	**1,171,260**	**1,072,435**

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

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

41 Contraventions of the Banks and Other Financial Institutions Act of Nigeria and CBN circulars

S/N	Regulatory Body		Date
(I)	Central Bank of Nigeria	Sum of N2m in respect of breach of accounts administration agreement	11 Mar 2022

*CBN-NEMSF: This is a joint initiative between the Central Bank of Nigeria and the Nigerian Elecricity market stabilization facility

42 Events after reporting date

Subsequent to the end of the financial period, the Board of Directors proposed an interim dividend of 40k each payable to shareholders on register of shareholding at the closure date. The Bank also disposed of its holdings in Access Pension funds custodian limited by selling of its entire stakes in the entity. The CBN approved of this disposal on the 7th July, 2022.

43 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

Transactions with key management personnel
The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Access Bank Plc and its subsidiaries.

Parent
The parent company, which is also the ultimate parent company, is Access Bank Plc.

(a) Loans and advances to related parties
The bank granted various credit facilities to its subsidiary companies and key management personnel. Key Management Personnel is defined as members of the Board of Directors of the bank, including their close members of family and any entity over which they exercise control. Close member of family are those who may be expected to influence or be influenced by that individual in dealings with the bank.
The rates and terms agreed are comparable to other facilities being held in the bank's portfolio. Details of these are described below:

period ended 30 June 2022	**Directors and other key management personnel (and close family members)**	**Subsidiaries**	**Associate**	**Total**
In millions of Naira				
Balance, beginning of period	1,180	321,918	2,362	**325,460**
Net movement during the period	131	(88,695)	(1,237)	**(89,802)**
Balance, end of period	1,049	233,223	1,125	**235,397**
Interest income earned	52	2,233	11	**2,295**
ECL due from related parties expense	-	-		**-**

The loans issued to directors and other key management personnel (and close family members) as at 30 June 2022 is N1.05Bn 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 4 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 USD553M granted during the year. It is a non-collateralised placement advanced at an average interest rate of 1.6% and an average tenor of 10.5 months. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

The loan granted to associate as at 30 June 2022 is N1.13Bn at an average interest rate of 4.4% and an average tenor of 4.6years.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at year end.

(b) Deposits from related parties

	Directors (and close family members and related entities)	**Subsidiaries**	**Associate**	**Total**
30 June 2022				
In millions of Naira				
Balance, beginning of period	2,480	99,617	3,098	**105,196**
Net movement during the period	6,631	8,502	1,145	**16,279**
Balance, end of period	9,111	108,120	4,244	121,475
Interest expenses on deposits	28,011	1,125,141	36,572	**1,189,724**

The deposits are majorly term deposit with an average interest rate and tenor of approximately 3.6% and 4 months for directors, 2% and 12months for Associate and 4% and 4 months for subsidiaries.

(c) Borrowings from related parties

	Subsidiaries	**Associate**	**Total**
In millions of Naira			
Borrowings at 1 January 2022	-	-	**-**
Net movement during the period	-	-	**-**
Borrowings at 30 June 2022	-	-	-
Interest expenses on borrowings	-	-	**-**

(d) Other balances and transactions with related parties

In millions of Naira	Directors (and close family members and related entities)	Subsidiaries	Associate	Holding Company	Total
Cash and cash equivalent	-	69,291	-	-	**69,291**
Derivative financial instruments	-	-	-	-	**-**
Investment securities	-	1,243		-	**1,243**
Deposit from financial institutions	-	-	-	-	**-**
Receivables	-	797	-	46,476	**47,273**
Payables	-	187	-	-	**187**
Other Liabilities	-	299	-	-	**299**
Off balance sheet exposures	-	117,662	-	-	**117,662**

(e) Key management personnel compensation for the period comprises:

Directors' remuneration

In millions of Naira	June 2022	June 2021
Non-executive Directors		
Fees	63	58
Other emoluments:		-
Allowances	624	529
	687	587

	June 2022	June 2021
Executive directors		
Short term employee's benefit	175	180
Defined contribution plan	30	24
Share based payment	199	47
Retirement benefits paid	7,067	-
	7,471	251

(f) Directors remuneration:

Remuneration paid to directors of the Bank (excluding pension contributions and other benefits) was as follows:

In millions of Naira	June 2022	June 2021
Fees as Directors	63	58
Other emoluments	476	404
Wages and salaries	175	180
Allowances	149	125

The Directors remuneration shown above includes

	June 2022	June 2021
Chairman	69	65
Highest paid director	76	69

The emoluments of all other directors fell within the following ranges:

	June 2022	December 2021
N13,000,001-N20,000,000	-	-
N20,000,001-N37,000,000	7	7
AboveN37,000,000	10	10
	17	17

44 Business Combination

(a) Business Combination with Transnational Bank Kenya

The Bank recently acquired Transnational Bank in Kenya with effect from 20 July 2020. The acquisition involved the Bank acquiring the 99.98% issued share capital of Transnational Bank in exchange for cash consideration of N5,517,428,970 (Five billion, five hundred and seventeen thousand, four hundred and twenty eight thousand, nine hundred and seventy naira)

In fulfilment of the consideration for the acquisition, Transnational Bank's shareholders received a total cash consideration offer of N5,634,410,000 comprising of (i) a cash consideration payment of N4,225,807,500 (Four billion, two hundred and twenty five million, eight hundred and seven thousand, five hundred Naira) (ii) a deferred payment of N1,408,602,500 (one billion, four hundred and eight million six hundred and two thousand, five hundred naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N1,291,620, 470 using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya.

In millions of Naira	Bank July 2020
Considerations:	
Cash payment	4,226
Consideration deferred	1,292
Total Consideration	**5,517**
Net assets/ (liabilities) acquired from business	(1,030)
Goodwill	**6,547**

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

(b)

	Group July 2020
Assets	
Cash and balances with banks	7,618
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-
Loans to banks	-
Loans and advances to customers	17,416
Investment securities	12,144
Investment properties	-
Other assets	1,916
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	576
Intangible assets	105
Deferred tax assets	597
	40,373
Asset classified as held for sale and discontinued operation:	-
Total assets	**40,373**
Liabilities	
Deposits from financial institutions	-
Deposits from customers	32,907
Derivative Liabilities	-
Current tax liabilities	-
Other liabilities	8,493
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	41,400
Liabilities classified as held for sale and discontinued opera	-
Total liabilities	**41,400**
Net assets/ (liabilities)	**(1,027)**
Non controlling interest	1
Owners of the Bank equity	**(1,030)**

44 Business Combination

(a) Business Combination with Grobank South Africa

The Bank recently acquired Grobank in South Africa with effect from 4th May 2021. As part of the acquisition, Grobank issued additional units of shares to the Bank. The acquisition involved the Bank acquiring 90.35% of the net assets in exchange for cash of N11,411,682,891 (Eleven billion, four hundred and eleven thousand, six hundred and eighty two thousand, eight hundred and ninety one Naira). The cash consideration is considered as the fair value of the shares acquired. The bargain purchase has been computed by comparing the fair value of the net asset of former Grobank to the present value of the cash consideration paid for the acquisition.

In millions of Naira	Bank April 2021
Considerations:	
Cash payment	11,412
Total Consideration	**11,412**
Fair value of NCI (non-controlling interests) at acquisiton	1,329
Fair Value of Net assets/ (liabilities) acquired from business combination (see note 44 (f) below)	
	13,771
Fair value adjustment	-
Bargain Purchase	**(1,031)**

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

	Group April 2021
(b) Assets	
Cash and balances with banks	34,738
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-

Loans to banks	-
Loans and advances to customers	49,302
Investment securities	8,007
Investment properties	-
Other assets	-
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	288
Intangible assets	1,682
Deferred tax assets	-
	94,018
Asset classified as held for sale and discontinued operations	-
Total assets	**94,018**
Liabilities	
Deposits from financial institutions	3,516
Deposits from customers	70,230
Derivative Liabilities	90
Current tax liabilities	-
Other liabilities	6,410
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	80,247
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**80,247**
Net assets/ (liabilities)	**13,771**
Non controlling interest	1,329
Owners of the Bank equity	**12,442**

(c) Business Combination with Cavmont Bank

Access Bank Zambia recently acquired Cavmont Bank in Zambia with effect from 4th January 2021. The acquisition involved the Bank acquiring 100% issued share capital of Cavmont Bank. The net asset acquired has been recognized as a bargain purchase and is shown as a separae line item in the statement of comprehensive income.

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

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

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

(e) Business Combination with ABC Mozambique

Access Bank Mozambique recently acquired BancABC Bank in Mozambique with effect from 14th May 2021. The acquisition involved the Bank acquiring 99.997% issued share capital of BancABC in exchange for cash of N9,259,068,053 (Nine billion, two hundred and fifty nine million, sixty eight thousand and fifty three naira) used to pay off the shareholders of former BancABC.

The consideration for the acquisition comprises of (i) a cash consideration payment of N5,171,476,925 (Five billion, one hundred and seventy one million, four hundred and seventy six thousand, nine hundred and twenty five Naira) (ii) a deferred payment of N5,164,813,558 (Five billion one hundred and sixty-four million, eight hundred and thirteen thousand, five hundred and fifty-eight naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N4,087,591,127 using a discount rate of 12.4% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Mozambique. The bargain purchase has been computed by comparing the fair value of the net asset of former BancABC to the present value of the cash consideration paid for the acquisition.

In millions of Naira	Bank May 2021
Considerations:	
Cash payment	5,171
Consideration deferred	3,645
Total Consideration	**8,817**

Net assets/ (liabilities) acquired from business	9,070
Fair value adjustment	-
Adjusted Net assets/(liabilities) acquired from business combination (see note 44 (h) below)	9,070
Bargain Purchase	**(253)**

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

		Bank May 2021
(f)	**Assets**	
	Cash and balances with banks	19,195
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	19,638
	Loans and advances to customers	37,517
	Investment securities	8,607
	Investment properties	2,567
	Other assets	2,122
	Investment in subsidiaries	-
	Investment in associates	-
	Property and equipment	3,350
	Intangible assets	171
	Deferred tax assets	1,838
		95,004
	Asset classified as held for sale and discontinued operations	-
	Total assets	**95,004**
	Liabilities	
	Deposits from financial institutions	765
	Deposits from customers	79,068
	Derivative Liabilities	-
	Current tax liabilities	-
	Other liabilities	3,338
	Deferred tax liabilities	-
	Debt securities issued	-
	Interest-bearing borrowings	2,763
		85,934
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**85,934**
	Net assets/ (liabilities)	**9,070**
	Non controlling interest	-
	Owners of the Bank equity	**9,070**

(g) Business Combination with ABC Botswana

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

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

In millions of Naira	**Bank October 2021**
Considerations:	
Cash payment	22,699
Consideration payable at a future date	11,412
Total Consideration	**34,111**
Net assets/ (liabilities) acquired from business combination (see note 44 (j) below)	33,145
Fair value adjustment	-
Adjusted Net assets/(liabilities) acquired from business combination (see note 44 (j) below)	33,145
Goodwill	**966**

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

(h)

	Bank October 2021
Assets	
Cash and balances with banks	34,830
Non pledged trading assets	-
Derivative financial assets	2,414
Pledged assets	-
Loans to banks	-
Loans and advances to customers	231,423
Investment securities	18,669
Investment properties	-
Other assets	2,931
Investment in subsidiaries	19,643
Investment in associates	-
Property and equipment	3,882
Intangible assets	2,944
Current tax assets	580
Deferred tax assets	1,161
	318,476
Asset classified as held for sale and discontinued operations	-
Total assets	**318,476**
Liabilities	
Deposits from financial institutions	7,068
Deposits from customers	235,731
Derivative Liabilities	2,337
Current tax liabilities	-
Other liabilities	5,606
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	25,321
	276,063
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**276,063**
Net assets/ (liabilities)	**42,413**
Non controlling interest	9,267
Owners of the Bank equity	**33,145**

45 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.

b. Full compliance with the relevant CBN policies on insider-related lending.
c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.
d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.

e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.

f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a period of more than 12months."

The Bank's principal exposure to all its directors as at 30 June 2022 is N735Mn. 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
					N'millions		
1	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	131	Performing	Cash collateral
2	Paul and Mfon Usoro	Non-executive director	Mr Paul Usoro	Credit Card	17	Performing	Cash collateral
3	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Overdraft	2	Performing	Cash collateral
				Credit Card	5	Performing	Cash collateral
4	Ajoritsedere Josephi Awosika	Non-executive director	Ajoritsedere Awosika	Credit Card	2	Performing	Cash collateral
5	Herbert Wigwe	Non-executive director	Herbert Wigwe	Mortgage	363	Performing	Legal Mortgage
				Credit Card	212	Performing	Cash Collateral
6	Herbert Wigwe	Non-executive director	Herbert Wigwe	Credit Card	3	Performing	Cash Collateral
	Balance, end of period				**736**		

46 Discontinued operations

Statement of comprehensive income of discontinued operations

In millions of Naira	Access Bank PFC June 2022	Access Bank PFC June 2021
Interest income calculated using effective interest rate	127	50
Net interest income	127	50
Net impairment charge on financial assets	5	1
Net interest income after impairment charges	133	50
Fee and commission income	288	268
Fee and commission expense	-	-
Net fee and commission income	288	268
Other operating income	-	2
Personnel expenses	(125)	(93)
Depreciation	(38)	(32)
Other operating expenses	(110)	(74)
Profit before tax	148	120
Income tax	-	-
Profit for the period	**148**	**120**

The Bank also disposed of its holdings in Access Pension funds custodian limited by selling of its entire stakes in the entity. The CBN approved of this disposal on the 7th July, 2022. The aggregate book values of the net assets for the entity whose operations is proposed for discontinuance are as follows:

Statement of financial position for Discontinued operations

As at 30 June 2022

In millions of Naira	Access Bank PFC June 2022
Assets	
Cash and balances with banks	3,803
Restricted deposit and other assets	102
Property and equipment	789
Intangible assets	59
	4,753
Asset classified as held for sale	
	190
Total assets	**4,943**
Liabilities	
Other liabilities	48
Deferred tax liabilities	29
Retirement benefit obligation	77
Total liabilities	**77**
Net Asset of discontinued Group	4,865

46 (a) Restatement of prior period financial information

(1) Changes to statement of comprehensive income

	Reported Group June 2021	Restatements June 2021	Restated Group June 2021
Interest income on financial assets not at FVTPL	279,643	50	279,593
Interest income on financial assets at FVTPL	40,091	-	40,091
Interest expense	(119,666)	-	(119,666)
Net interest income	200,068	50	200,018
Net impairment charge	(28,669)	1	(28,670)
Net interest income after impairment charges	171,399	50	171,348
Fee and commission income	73,715	268	73,446
Fee and commission expense	(14,988)	-	(14,988)
Net fee and commission income	58,727	268	58,459
Net (loss)/gains on financial instruments at fair value	(23,255)	-	(23,255)
Net foreign exchange gain/(loss)	68,195	-	68,195
Net loss on fair value hedge (Hedging ineffectiveness)	(4,221)	-	(4,221)
Other operating income	13,805	2	13,803
Profit on disposal of subsidiaries	2,640	-	2,640
Personnel expenses	(43,604)	(93)	(43,511)
Depreciation	(14,062)	(32)	(14,030)
Amortization	(6,022)	-	(6,022)
Other operating expenses	(126,114)	(74)	(126,040)
Share of profit of investment in Associate	8	-	8
Profit before tax	**97,496**	**120**	**97,376**
Income tax	(10,560)	-	(10,560)
Profit for the period	**86,936**	**120**	**86,816**
Other comprehensive income (OCI) net of income tax :			
Remeasurements of post-employment benefit obligations	-	-	-
Items that may be subsequently reclassified to the income statement:			
Foreign currency translation differences for foreign subsidiaries			
- Unrealised gains /(losses) during the Year	15,753	-	15,753
-Fair value changes during the Year	(59,031)	-	(59,031)
Changes in allowance on FVOCI debt financial instruments	-	-	54
Other comprehensive gain, net of related tax effects	(43,278)	-	(43,223)
Total comprehensive income for the period	**43,472**	**120**	**43,592**
Profit attributable to:			
Owners of the bank	85,861	120	85,981
Non-controlling interest	834	-	835
Profit for the period	**86,936**	**120**	**86,816**
Total comprehensive income attributable to:			
Owners of the bank	39,807	120	39,924
Non-controlling interest	3,666	-	3,668
Total comprehensive income for the period	**43,472**	**120**	**43,592**
Earnings per share attributable to ordinary shareholders			
Restated Basic (kobo)	248	(0)	248
Restated Diluted (kobo)	242	(0)	241

The Bank is in the process of disposing its entire holdings in Access Pension funds custodian subject to approval from the Central Bank of Nigeria (CBN). The above is a representation of the profit and loss from the subsidiary for the reporting period ended 30 June 2021.

The proposed disposal necessitated the reporting of the subsidiairy as a discontinued operation and subsequent restatement of the prior year numbers as required by IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

48 Non-audit services

During the year, the Bank's auditor, PricewaterHouseCoopers, were paid for the following services

	Service	Description	Sum N'000
1	NDIC - Agreed-Upon Procedures	PwC was requested to certify the total deposit liabilities standing in the books of the Bank as at 31 December 2021 in line with the provision of Nigeria Deposit Insurance Corporation (NDIC) Act	3,000
2	Whistleblowing assessment - Regulatory Compliance	PwC was required to assist with risk management and whistleblowing assessment.	25,000
3	Business Strategy (including Growth)	PwC was required to assist with the strategy development for the bank's not-for-profit banking sector	10,000
4	Access Bank Plc_2022_Independent Business Strategy Review	PwC was required to perform independent business strategy review on portfolio priotization, Legal Services-Corp, Comm, Other non- MA and Operations Strategy.	35,000

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 NATIONAL DISCLOSURES

Value Added Statement

In millions of Naira

	Group June 2022	%	Group June 2021	%
Gross earnings	591,806		450,621	
Interest expense				
Foreign	(33,423)		(24,676)	
Local	(107,007)		(63,241)	
	451,376		362,704	
Net impairment loss on financial assets	(34,605)		(27,616)	
Net impairment loss on non financial assets	(2,256)		(1,053)	
Bought-in-materials and services				
Foreign	(14,999)		(6,579)	
Local	(185,786)		(134,523)	
Value added	**213,729**		**192,934**	
Distribution of Value Added				
To Employees:				
Employees costs	57,443	27%	43,604	23%
To government				
Government as taxes	9,284	4%	10,560	5%
To providers of finance				
Interest on borrowings	34,372	16%	31,750	16%
Dividend to shareholders	24,882	12%	19,550	10%
Retained in business:				
For replacement of property and equipment and intangible assets	21,675	10%	20,084	10%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	66,076	31%	67,386	35%
	213,732	**100%**	**192,934**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In millions of Naira	Bank June 2022	%	Bank June 2021	%
Gross earnings	468,890		353,739	
Interest expense				
Foreign	(32,213)		(24,936)	
Local	(83,987)		(45,363)	
	352,690		283,439	
Net impairment (loss) on financial assets	(30,733)		(22,273)	
Net impairment loss on other financial assets	(2,256)		(583)	
Bought-in-materials and services				
Foreign	(18,997)		(6,579)	
Local	(157,378)		(120,417)	
Value added	**143,326**		**133,587**	
Distribution of Value Added				
To Employees:				
Employees costs	36,154	25%	27,465	21%
To government				
Government as taxes	(2,661)	-2%	1,206	1%
To providers of finance				
Interest on borrowings	32,275	23%	30,584	23%
Dividend to shareholders	24,882	17%	19,550	15%
Retained in business:				
For replacement of property and equipment	16,488	12%	16,191	12%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	36,187	25%	38,592	29%
	143,326	**100%**	**133,587**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Group	June 2022	December 2021	December 2020	December 2019	December 2018
In millions of Naira	N'millions	N'millions	N'millions	N'millions	N'millions
Assets					
Cash and balances with banks	1,235,033	1,487,665	723,873	723,064	740,926
Investment under management	36,155	34,942	30,451	28,292	23,839
Non pledged trading assets	661,385	892,508	207,952	129,819	38,817
Pledged assets	944,273	344,537	228,546	605,556	554,053
Derivative financial instruments	118,936	171,332	251,113	143,521	128,440
Loans and advances to banks	307,240	284,548	392,821	152,825	142,490
Loans and advances to customers	4,619,556	4,161,364	3,218,107	2,911,580	1,993,606
Investment securities	2,763,977	2,270,338	1,749,549	1,084,604	501,072
Investment properties	217	217	217	927	-
Other assets	2,128,820	1,707,290	1,548,891	1,055,510	704,327
Investment in associates	3,645	2,641	-	-	-
Investment in subsidiary	-	-	-	-	-
Property and equipment	261,174	247,734	226,479	211,214	103,669
Intangible assets	66,680	70,332	69,190	62,480	9,752
Deferred tax assets	16,027	13,781	4,240	8,808	923
Assets classified as held for sale	39,106	42,737	28,318	24,958	12,242
Total assets	13,202,225	11,731,965	8,679,748	7,143,157	4,954,157
Liabilities					
Deposits from financial institutions	2,075,416	1,696,521	958,397	1,186,356	994,573
Deposits from customers	7,839,374	6,954,827	5,587,418	4,255,837	2,564,908
Derivative financial instruments	15,331	13,953	20,881	6,886	5,206
Current tax liabilities	8,716	4,643	2,160	3,531	4,058
Other liabilities	633,733	560,709	379,417	324,334	246,439
Deferred tax liabilities	1,792	11,652	14,877	11,273	6,457
Debt securities issued	284,354	264,495	169,160	157,988	251,251
Interest-bearing borrowings	1,264,203	1,171,260	791,455	586,603	388,417
Retirement benefit obligations	3,701	3,877	4,941	3,609	2,336
Total liabilities	12,126,696	10,681,936	7,928,706	6,536,417	4,463,645
Equity					
Share capital and share premium	251,811	251,811	251,811	251,811	212,439
Additional Tier 1 Capital	206,355	206,355	-	-	-
Retained earnings	404,529	397,273	252,397	221,666	155,593
Other components of equity	195,206	171,113	239,494	124,734	114,610
Non controlling interest	17,625	23,477	7,339	8,529	7,870
Total equity	1,075,526	1,050,029	751,041	606,740	490,512
Total liabilities and Equity	13,202,222	11,731,965	8,679,748	7,143,157	4,954,157
Gross earnings	591,806	971,885	764,717	666,754	528,745
Profit before income tax	100,094	176,701	125,922	111,926	103,188
Profit from continuing operations	90,810	160,216	106,010	94,057	94,981
Profit for the period	90,810	160,216	106,010	94,057	94,981
Non controlling interest	1,447	1,888	1,327	1,008	963
Profit attributable to equity holders	89,363	158,328	104,683	93,049	94,018
Dividend declared	0k	100k	80k	65k	50k
Earning per share - Basic	259k	459k	300k	173k	330k
- Adjusted	251k	445k	294k	169k	325k
Number of ordinary shares of 50k	35,545,225,622	35,545,225,622	35,545,225,622	35,545,225,622	28,927,971,631

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Bank	**June 2022**	**December 2021**	**December 2020**	**December 2019**	**December 2018**
In millions of Naira	**N'millions**	**N'millions**	**N'millions**	**N'millions**	**N'millions**
Assets					
Cash and balances with banks	894,524	1,068,976	589,812	575,906	338,290
Investment under management	36,155	34,942	30,451	28,292	23,839
Non pledged trading assets	632,781	803,806	110,283	76,972	36,581
Pledged assets	944,273	344,537	228,546	605,556	554,053
Derivative financial instruments	106,425	161,439	244,564	143,480	128,134
Loans and advances to banks	233,004	322,259	231,788	164,413	100,993
Loans and advances to customers	3,762,322	3,256,073	2,818,876	2,481,624	1,681,762
Investment securities	1,888,329	1,553,458	1,428,040	813,707	258,580
Other assets	2,005,159	1,601,379	1,490,633	1,004,310	625,813
Investment properties	217	217	217	727	-
Investment in associates	3,434	2,548	-	-	-
Investment in subsidiary	249,387	215,775	164,252	131,459	111,203
Property and equipment	213,654	194,071	191,893	188,634	88,393
Intangible assets	54,772	58,734	67,496	67,551	8,231
Deferred tax assets	6,370	-	-	-	-
Assets classified as held for sale	34,163	42,547	28,128	24,958	12,242
Total assets	11,064,972	9,660,761	7,624,980	6,307,588	3,968,115
Liabilities					
Deposits from banks	1,725,708	1,422,707	831,632	1,079,284	616,645
Deposits from customers	6,419,891	5,517,069	4,832,744	3,668,340	2,058,739
Derivative financial instruments	12,425	9,943	20,776	6,827	5,186
Debt securities issued	280,758	260,644	169,160	157,988	251,251
Current tax liabilities	7,432	3,132	2,547	1,409	2,940
Other liabilities	557,439	495,161	342,460	302,262	222,046
Retirement benefit obligations	3,677	3,846	4,584	3,418	2,320
Interest-bearing borrowings	1,153,572	1,072,435	755,254	544,064	363,682
Deferred tax liabilities	-	4,374	11,926	4,507	4,506
Total liabilities	10,160,903	8,789,310	6,971,084	5,768,100	3,527,315
Equity					
Share capital and share premium	251,811	251,811	251,811	251,811	212,439
Additional Tier 1 Capital	206,355	206,355	-	-	-
Retained earnings	280,208	304,778	206,896	188,926	148,239
Other components of equity	165,693	108,506	195,188	98,751	80,122
Total equity	904,068	871,450	653,896	539,488	440,800
Total liabilities and Equity	11,064,972	9,660,761	7,624,980	6,307,588	3,968,115
Gross earnings	468,890	734,283	634,864	576,348	435,743
Profit before income tax	58,407	106,483	90,196	79,214	75,248
Profit for the period	61,066	111,326	80,039	70,116	73,596
Dividend declared	0k	100k	80k	65k	50k
Earning per share - Basic	172k	314k	225k	207K	177k
- Adjusted	172k	314k	225k	207K	184k
Number of ordinary shares of 50k	35,545,225,622	35,545,225,622	35,545,225,622	35,545,225,622	28,927,971,631