ACCESS BANK PLC

UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

more than banking

Access Bank PLC
Index to the consolidated and separate financial statements
For the period ended 31 March 2021

Corporate information

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

Directors

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

Company Secretary
Mr Sunday Ekwochi

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

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

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

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

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

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

Investor Relations

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

For further information please contact:

Access Bank Plc.

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

Statement of Corporate Responsibity for the Consolidated and separate Financial Statements for the period ended 31 March 2021

In line with the provision of S.405 of CAMA 2020 we have reviewed the audited financial statements of the Bank for the period ended 31 March, 2021 and based on our knowledge confirm as follows;

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

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

III. We are responsible for maintaining internal controls

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

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

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

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

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

29 April, 2021

Oluseyi Kumapayi	Herbert Wigwe
Chief Financial Officer	Group Managing Director
FRC/2013/ICAN/00000000911	FRC/2013/ICAN/00000001998

Consolidated and separate statement of comprehensive income

In thousands of Naira	*Notes*	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Interest income calculated using effective interest rate	8	125,966,993	113,751,042	103,946,519	94,384,235
Interest income on financial assets at FVTPL	8	17,830,884	18,117,486	13,588,849	17,522,835
Interest expense	8	(49,838,582)	(59,656,510)	(42,646,206)	(53,662,239)
Net interest income		93,959,295	72,212,018	74,889,161	58,244,831
Net impairment charge	9	(12,535,167)	(8,582,174)	(11,923,917)	(8,266,658)
Net interest income after impairment charges		81,424,129	63,629,844	62,965,245	49,978,173
Fee and commission income	10 (a)	38,950,413	27,942,096	32,767,836	23,004,248
Fee and commission expense	10 (b)	(8,220,773)	(4,944,277)	(7,971,458)	(4,766,776)
Net fee and commission income		30,729,640	22,997,820	24,796,378	18,237,472
Net gains on financial instruments at fair value	11a,b	27,067,207	82,904,310	25,251,461	82,434,764
Net foreign exchange gain/(loss)	12	1,079,174	(54,717,961)	(1,437,008)	(57,589,366)
Net gain on fair value hedge (Hedging ineffectiveness)	12 b	5,328,444	-	5,328,444	-
Other operating income	13	5,917,984	21,797,821	5,415,423	21,550,466
Personnel expenses	14	(20,062,318)	(19,632,502)	(14,432,992)	(15,466,177)
Depreciation	28	(6,269,446)	(5,979,858)	(5,425,766)	(5,089,500)
Amortization and impairment	29	(2,670,740)	(1,155,152)	(2,539,457)	(1,026,596)
Other operating expenses	15	(62,493,642)	(63,551,429)	(56,791,598)	(59,343,818)
Profit before tax		60,050,435	46,292,895	43,130,129	33,685,419
Income tax	16	(7,503,069)	(5,364,176)	(5,606,917)	(3,895,100)
Profit for the period		**52,547,367**	**40,928,719**	**37,523,212**	**29,790,319**
Other comprehensive income (OCI) net of income tax :					
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		(1,661,109)	5,555,542	-	-
Changes in fair value of FVOCI financial instruments		(9,393,354)	(21,440,271)	(10,895,931)	(22,104,330)
Changes in allowance on FVOCI financial instruments		272,388	-	550,252	-
Other comprehensive gain/(loss), net of related tax effects		(10,782,075)	(15,884,729)	(10,345,679)	(22,104,330)
Total comprehensive income for the period		**41,765,291**	**25,043,989**	**27,177,533**	**7,685,988**
Profit attributable to:					
Owners of the bank		51,910,238	40,409,083	37,523,212	29,790,319
Non-controlling interest	38	637,129	519,636	-	-
Profit for the period		**52,547,367**	**40,928,719**	**37,523,212**	**29,790,319**
Total comprehensive income attributable to:					
Owners of the bank		41,900,910	25,821,003	27,177,533	7,685,988
Non-controlling interest	38	(135,618)	(777,013)	-	-
Total comprehensive income for the period		**41,765,291**	**25,043,989**	**27,177,533**	**7,685,988**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	149	121	106	88
Diluted (kobo)	17	146	119	106	88

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

Consolidated and separate statement of financial position
As at 31 March 2021

In thousands of Naira	*Notes*	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Assets					
Cash and balances with banks	18	1,121,289,199	723,872,822	924,325,391	589,812,439
Investment under management	19	30,495,266	30,451,466	30,495,266	30,451,466
Non pledged trading assets	20	131,875,504	207,951,943	49,085,724	110,283,112
Derivative financial assets	21	140,454,269	251,112,744	138,045,964	244,564,046
Loans and advances to banks	22	389,013,222	392,821,307	215,646,413	231,788,276
Loans and advances to customers	23	3,256,216,275	3,218,107,026	2,870,334,048	2,818,875,731
Pledged assets	24	224,696,993	228,545,536	224,696,993	228,545,536
Investment securities	25	1,778,393,237	1,749,549,146	1,378,930,369	1,428,039,657
Investment properties	31a	217,000	217,000	217,000	217,000
Restricted deposit and other assets	26	1,647,256,896	1,548,891,263	1,568,857,810	1,490,633,057
Investment in subsidiaries	27b	-	-	164,251,532	164,251,532
Property and equipment	28	226,583,533	226,478,707	190,972,512	191,893,321
Intangible assets	29	67,589,137	69,189,841	65,525,834	67,496,078
Deferred tax assets	30	8,027,071	4,240,448	-	-
		9,022,107,605	8,651,429,253	7,821,384,858	7,596,851,252
Asset classified as held for sale	31b	32,096,301	28,318,467	31,906,302	28,128,467
Total assets		**9,054,203,905**	**8,679,747,719**	**7,853,291,160**	**7,624,979,720**
Liabilities					
Deposits from financial institutions	32	1,157,108,100	958,397,173	1,000,868,387	831,632,332
Deposits from customers	33	5,684,591,424	5,587,418,213	4,856,427,742	4,832,744,495
Derivative financial liabilities	21	4,208,589	20,880,529	3,516,749	20,775,722
Current tax liabilities	16	5,978,391	2,159,921	8,153,598	2,546,892
Other liabilities	34	430,298,331	379,416,800	377,157,651	342,460,281
Deferred tax liabilities	30	19,406,105	14,877,281	12,949,341	11,925,862
Debt securities issued	35	173,037,390	169,160,059	173,037,390	169,160,059
Interest-bearing borrowings	36	781,708,265	791,455,236	735,023,156	755,254,271
Retirement benefit obligation	37	4,792,659	4,941,268	4,772,559	4,584,149
Total liabilities		**8,261,129,254**	**7,928,706,480**	**7,171,906,573**	**6,971,084,062**
Equity					
Share capital and share premium	38	251,811,463	251,811,463	251,811,463	251,811,463
Retained earnings		331,305,645	252,396,876	271,027,102	206,896,033
Other components of equity	38	202,754,435	239,494,174	158,546,022	195,188,164
Total equity attributable to owners of the Bank		**785,871,544**	**743,702,513**	**681,384,586**	**653,895,660**
Non controlling interest	38	7,203,108	7,338,726	-	-
Total equity		**793,074,651**	**751,041,239**	**681,384,586**	**653,895,660**
Total liabilities and equity		**9,054,203,905**	**8,679,747,719**	**7,853,291,160**	**7,624,979,720**

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

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

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

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

Consolidated and separate statement of changes in equity

In thousands of Naira

Group	**Share capital**	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
	Attributable to owners of the Bank												
Balance at 1 January, 2021	**17,772,613**	**234,038,850**	**46,425,978**	**115,575,107**	**876,762**	**(5,111,646)**	**3,489,080**	**60,106,564**	**18,132,330**	**252,396,881**	**743,702,520**	**7,338,726**	**751,041,245**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	51,910,238	51,910,238	637,129	52,547,367
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	(258,713)	-	(258,713)	(1,402,397)	(1,661,109)
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(10,023,003)	-	-	(10,023,003)	629,649	(9,393,354)
Changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	272,388	-	-	272,388	-	272,388
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**		**-**	**-**	**(9,750,615)**	**(258,713)**	**-**	**(10,009,328)**	**(772,747)**	**(10,782,075)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9,750,615)**	**(258,713)**	**51,910,238**	**41,900,910**	**(135,618)**	**41,765,291**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	(32,154,909)	5,156,383	-	-	-	-	-	26,998,526	-		-
Transfers under the scheme of merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares issued under scheme of merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Scheme shares	-	-	-	-	367,917	(99,805)	-	-	-	-	268,113	-	268,113
Vested shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**(32,154,909)**	**5,156,383**	**367,917**	**(99,805)**	**-**	**-**	**-**	**26,998,526**	**268,113**	**-**	**268,113**
Balance at 31 March 2021	**17,772,613**	**234,038,850**	**14,271,068**	**120,731,490**	**1,244,681**	**(5,211,450)**	**3,489,080**	**50,355,950**	**17,873,616**	**331,305,645**	**785,871,543**	**7,203,108**	**793,074,651**

Consolidated statement of changes in equity

In thousands of Naira

Group	**Share capital**	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
	Attributable to owners of the Bank												
Balance at 1 January 2020	**17,772,613**	**234,038,850**	**18,091,941**	**93,322,654**	**1,881,768**	**(4,795,913)**	**3,489,080**	**964,243**	**11,780,013**	**225,118,812**	**601,664,061**	**8,528,833**	**610,192,894**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	40,409,087	40,409,087	519,636	40,928,722
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	6,381,792	-	6,381,792	(826,250)	5,555,542
Actuarial gain on remeasurement of retirement benefit (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(20,969,872)	-	-	(20,969,872)	(470,399)	(21,440,271)
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	(20,969,872)	6,381,792	-	(14,588,080)	(1,296,649)	(15,884,729)
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20,969,872)**	**6,381,792**	**40,409,087**	**25,821,006**	**(777,013)**	**25,043,993**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	(1,063,781)	(803,174)	-	-	-		-	1,866,956	-	-	-
Transfers under the scheme of merger	-	-	-	-	-	-	-	-	-		-	-	-
Shares issued under scheme of merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Scheme shares	-	-		-	280,565		-	-		-	280,565	-	280,565
Vested shares	-	-	-	-	-	19,533	-	-	-	-	19,533	-	19,533
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**(1,063,781)**	**(803,174)**	**280,565**	**19,533**	**-**	**-**	**-**	**1,866,956**	**300,098**	**-**	**300,098**
Balance at 31 March 2020	**17,772,613**	**234,038,850**	**17,028,160**	**92,519,480**	**2,162,332**	**(4,776,380)**	**3,489,080**	**(20,005,630)**	**18,161,805**	**267,394,855**	**627,785,165**	**7,751,820**	**635,536,985**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserve	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2021	**17,772,613**	**234,038,850**	**36,180,585**	**95,067,598**	**876,761**	**3,489,081**	**59,574,139**	**206,896,034**	**653,895,661**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	37,523,212	37,523,212
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	-	-
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(10,895,931)	-	(10,895,931)
Changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	550,252	-	550,252
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(10,345,679)**	**-**	**(10,345,679)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(10,345,679)**	**37,523,212**	**27,177,533**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	(32,236,338)	5,628,482	-	-	-	26,607,856	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-
Scheme shares	-	-	-	-	311,392	-	-	-	311,392
Vested shares	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**(32,236,338)**	**5,628,482**	**311,392**	**-**	**-**	**26,607,856**	**311,392**
Balance at 31 March 2021	**17,772,613**	**234,038,850**	**3,944,247**	**100,696,079**	**1,188,154**	**3,489,081**	**49,228,461**	**271,027,102**	**681,384,586**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Retained earnings	Total Equity
Balance at 1 January, 2020	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**1,881,767**	**3,489,081**	**835,472**	**192,378,618**	**542,941,100**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	29,790,317	29,790,317
Other comprehensive income, net of tax									
Actuarial gain on remeasurement of retirement benefit	-	-	-	-	-	-	-	-	-
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(22,104,330)	-	(22,104,330)
Net changes in allowance on FVOCI financial instruments				-					-
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(22,104,330)**	**-**	**(22,104,330)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(22,104,330)**	**29,790,317**	**7,685,987**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	-	-	-	-	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-
Shares issued under scheme of merger	-	-	-	-	-	-	-	-	-
Additional shares	-	-	-	-	-	-	-	-	-
Scheme shares	-	-	-	-	280,565	-	-	-	280,565
Vested shares	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**-**	**280,565**	**-**	**-**	**-**	**280,564**
Balance at 31 March 2020	**17,772,613**	**234,038,850**	**9,483,000**	**83,061,699**	**2,162,331**	**3,489,081**	**(21,268,858)**	**222,168,935**	**550,907,651**

Consolidated statement of cash flows

In thousands of Naira	Note	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Cash flows from operating activities					
Profit before income tax		60,050,435	46,292,895	43,130,129	33,685,419
Adjustments for:					
Depreciation	28	6,269,446	5,979,859	5,436,106	5,089,500
Amortization	29	2,670,740	1,155,152	2,539,457	1,026,596
(Loss)/Gain on disposal of property and equipment	13	(41,791)	(2,503,929)	(27,038)	(2,500,637)
Write-off of property and equipment and intangible assets		27,304	-	-	-
Gain on disposal of investment securities		1,287,623	-	3,002,282	-
Impairment on financial assets	9	12,535,164	8,582,174	11,923,914	8,266,660
Additional gratuity provision		(148,609)	78,579	188,410	250,000
Restricted share performance plan expense		367,917	280,565	311,392	280,565
Fair value loss on financial assets at FVPL		7,560,176	2,082,802	7,560,175	2,465,316
Net interest income	8	(93,959,295)	(72,212,019)	(74,889,161)	(58,244,830)
Loss on derognition of ROU assets		1,491,184	-	1,206,018	-
Unrealised foreign exchange loss on revaluation		32,472,348	30,768,313	34,753,624	24,069,284
Dividend income	13	(2,176,023)	(2,042,451)	(2,176,022)	(2,042,451)
		28,406,618	18,461,938	32,959,285	12,345,421
Changes in operating assets					
Non-pledged trading assets		75,703,016	(45,854,567)	60,041,839	(42,710,335)
Fair value of derivative financial instruments		93,986,534	(86,214,953)	89,259,109	(84,041,521)
Pledged assets		(74,943,942)	(145,650,225)	(74,977,769)	(145,650,224)
Restricted deposits		(44,242,075)	(79,183,366)	(37,063,799)	(93,816,994)
Loans and advances to banks and customers		(88,021,753)	(115,208,021)	(110,026,680)	(83,376,941)
Other assets		(96,915,546)	(8,106,635)	(77,301,374)	(703,900)
Changes in operating liabilities					
Deposits from financial institutions		183,761,277	(18,778,073)	165,608,593	(5,506,828)
Deposits from customers		76,014,855	225,330,951	25,505,618	170,963,931
Other liabilities		49,052,127	(91,257,387)	34,149,056	(92,017,048)
Interest paid on deposits to banks and customers		(31,775,771)	(86,537,016)	(26,034,205)	(46,596,976)
Interest received on loans and advances and non-pledged trading assets		94,977,632	125,595,870	87,514,899	96,528,148
Payment to gratuity benefit holders		-	(276,282)	-	(276,282)
Lease payments		-	(1,122,276)	-	(556,470)
		266,002,972	(308,800,041)	169,634,573	(315,416,019)
Income tax paid		(2,942,398)	(4,487,772)	-	(213)
Net cash generated from/(used in) operating activities		263,060,573	(313,287,814)	169,634,572	(315,416,233)
Cash flows from investing activities					
		(1,094,832,052)	(619,206,916)	(955,583,418)	(573,244,318)
Interest received on investment securities		41,131,124	47,320,059	35,957,223	41,540,931
Investment under management		(43,800)	(179,562)	(43,800)	(179,562)
Dividend received	13	2,176,023	2,042,451	2,176,022	2,042,451
Acquisition of property and equipment	28	(8,563,246)	(8,335,697)	(5,856,277)	(6,927,171)
Proceeds from the sale of property and equipment and intangible assets		177,479	8,286,442	162,001	8,229,562
Acquisition of intangible assets	29	(861,802)	(1,625,756)	(569,209)	(1,484,952)
Proceeds from disposal of asset held for sale		2,222,165	1,430,000	2,222,165	1,430,000
Proceeds from matured/disposed investment securities		282,508,388	256,511,929	225,759,096	217,233,483
Proceeds from sale of investment securities		774,663,068	232,124,914	753,924,709	223,402,254
Additional investment in subsidiaries		-	-	-	(5,457,750)
Net cash acquired from business combinations		9,581,677	-	-	-
Net cash generated from investing activities		**8,159,023**	**(81,632,134)**	**58,148,511**	**(93,415,072)**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(17,090,864)	(11,422,519)	(16,884,455)	(11,545,966)
Net proceeds from interest bearing borrowings		23,034,192	(12,657,040)	12,560,000	(10,398,940)
Repayment of interest bearing borrowings		(18,622,445)	-	(18,221,475)	-
Net cash (used in)/generated from financing activities		**(12,679,117)**	**(24,079,559)**	**(22,545,930)**	**(21,944,905)**
Net increase/(decrease) in cash and cash equivalents		258,540,479	(418,999,509)	205,237,153	(430,776,212)
Cash and cash equivalents at beginning of period	40	837,846,587	1,226,031,018	704,478,295	1,080,005,273
Net increase/ (decrease) in cash and cash equivalents		258,540,479	(418,999,509)	205,237,153	(430,776,212)
Effect of exchange rate fluctuations on cash held		15,754,516	(2,790,020)	13,408,822	(2,447,853)
Cash and cash equivalents at end of period	40	1,112,141,582	804,241,489	923,124,270	646,781,208

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 31 March 2021 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking. The Bank is listed on the Nigerian Stock Exchange.

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

2.0 Statement of compliance with International Financial Reporting Standards

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

3.0 Basis of preparation

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

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

3.1 Summary of significant accounting policies

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

(a) Functional and presentation currency

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

(b) Basis of measurement

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

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

(c) Use of estimates and judgments

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

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

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

3.2 Changes in accounting policy and disclosures

Amended standards adopted by the Group

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

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

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

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

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

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

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

3.3 Basis of consolidation

(a) Subsidiaries

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

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

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

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

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

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The group has adopted the short cut approach for the sale of Diamond Bank UK acquired.
Subsidiaries are measured at cost less impairment in the separate financial statement.

(b) Business combinations

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

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

The Group measures goodwill at the acquisition date as the total of:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a gain from a bargain purchase is recognised immediately in statement of comprehensive income.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.

Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

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

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

(c) Loss of control

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

(d) Disposal of subsidiaries

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

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

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

(f) Transactions eliminated on consolidation

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

3.4 Segment reporting

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

3.5 Foreign currency translation

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

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

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

3.6 Operating income

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

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

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

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

(a) Interest income and expense

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

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

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

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

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

(b) Fees and commission income and expense

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.
When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment year.

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

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

- Card maintenance fees: The Bank charges these fees to customers for maintaining their cards. The fees are earned and recognised by the Bank over the validity period of the card. The Bank charges the customers for this service on a monthly basis.
- Other fees and commission income, includes commission on letters of credit, account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees. These fees and commissions are recognised as the related services are performed

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

(c) Net loss/gains on investment securities

Net loss/gains on investment securities comprise of the following:
- Net gains/losses on financial instruments classified as held for trading: This includes the gains and losses arising both on sale of trading instruments and from changes in fair value of derivatives instruments.
- Net gains on financial instruments held as Fair value through other comprehensive income: This relates to gains arising from the disposal of financial instruments held as Fair value through other comprehensive income as well as fair value changes reclassified from other comprehensive income upon disposal.
- Net gains on financial instruments at fair value through profit or loss: This relates to gains on disposal and changes in fair value of financial instruments carried at

(d) Foreign exchange income

Foreign exchange income includes foreign exchange gains on revaluation and unrealised foreign exchange gains on revaluation.

(e) Other operating income

Other operating income includes items such as dividends, gains on disposal of properties, rental income, income from asset management, brokerage and agency as well as income from other investments.
Dividend on Fair value through other comprehensive income equity securities: This is recognised when the right to receive payment is established. Dividends are reflected as a component of other operating income.

3.7 Income tax

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

(a) Current tax

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

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

(b) Minimum Tax

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

(c) Deferred tax

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

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

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

3.8 Financial assets and liabilities

Recognition and derecognition

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

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(a) Financial assets

i *Classification*

The group classifies its financial assets in the following measurement categories:

● those to be measured subsequently at fair value (either through OCI or through profit or loss), and

● those to be measured subsequently at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

ii *Debt instruments*

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

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

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

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

iii *Equity instruments*

The group initially measured all equity investments at fair value through profit or loss. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in net gains/(loss) on investment securities in the statement of profit or loss as applicable.

The Group only measures cash and balances with banks, Loans and advances to banks and customers and other financial investments at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

iv Business model assessment

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

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

v The SPPI test

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

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

(b) Financial Liabilities

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

Financial liabilities that are classified at fair value through profit or loss is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains and losses attributable to changes in credit risk and the fair value of the liability are presented in the Statement of comprehensive income.

(c) Classification of financial assets

[i] Fair value through profit or loss

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

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

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

The Group may designate certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. The fair value option is only applied when the following conditions are met:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

[ii] Amortized cost

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

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

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

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

[iv] Fair value through other comprehensive income

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

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

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

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

(d) Classification of financial liabilities

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

(i) Financial liabilities at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.
Deposits and debt securities issued are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "stock lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements as pledged assets.

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

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

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

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

(e) Measurement of financial asset and liabilities

[i] Amortised cost measurement

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

[ii] Fair value measurement

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

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

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

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

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

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

(f) Reclassification of financial assets

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

The following are not changes in business model;

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

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

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

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

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

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

(g) Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

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

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

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

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

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

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

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

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

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

(h) Offsetting

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

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

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

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

(i) Measurement of specific financial assets

(i) Cash and balances with banks

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

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

(ii) Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement.
When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

(iii) Derivative financial instruments

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

(iv) Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets carried at fair value through profit or loss or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.
Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as fair value through profit or loss, Fair value through other comprehensive income or Amortized cost. Where the assets pledged as collateral are designated as fair value through profit or loss, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as Fair value through other comprehensive income are measured at fair-value through equity. Assets pledged as collateral designated as Amortized cost are measured at amortized cost.

[v] Investment under management

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

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

The investments are carried at fair value through OCI.

3.9 Impairment of financial assets

Overview of the ECL principles

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

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

Staging Assessment

The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.
Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2,Stage 3 and POCI (Purchased or originated credit impaired), as described below:

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

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

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

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

Change in credit quality since initial recognition

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

Measuring the Expected Credit Loss

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

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

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

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

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

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

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Expected credit loss on fair value through other comprehensive income securities

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

For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent year, the fair value of an impaired fair value through other comprehensive income debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through the income statement; otherwise, any increase in fair value is recognised through OCI. Any subsequent recovery in the fair value of an impaired fair value through other comprehensive income equity security is always recognised in OCI.

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

3.10 Investment properties

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

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

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

3.11 Property and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent costs

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

(c) Depreciation

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

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

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

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

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

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

(d) De-recognition

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

3.12 Leases

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

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

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

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

- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Bank's incremental borrowing rate is used, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The weighted average lessee's incremental borrowing rate applied to the lease liabilities as at 31 March 2021 was 15.65%

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

Right of use assets

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

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

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

Short-term leases and leases of low value

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

Extension and termination options

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

- **Critical judgements**

Extension and termination options - Determining the lease term

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

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

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

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

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

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

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

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

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

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

3.13 Intangible assets

(a) Goodwill

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

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

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

(b) Software

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

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

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

(c) Brand, Customer Relationships and Core Deposits

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

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

3.14 Impairment of non-financial assets

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

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

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

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

3.15 Discontinued operations

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

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

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

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

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

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

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

Repossessed collateral
Repossessed collateral are equities, investment properties or other investments repossessed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also separately disclosed in the financial statement.
When collaterals are repossessed in satisfaction of a loan, the receivable is written down against the allowance for losses. Repossessed collaterals are included in the financial statement based on how the Bank intends to realize benefit from such collateral such as "Non current assets held for sale" and carried at the lower of cost or estimated fair value less costs to sell, if the Group intends to sell or cost less accumulated depreciation, if for use in the normal course of business.

3.17 Provisions

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

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

3.18 Financial guarantees

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

3.19 Employee benefits

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

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

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

(b) Termination benefits

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

(c) Post employment defined benefit plan

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

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

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

(d) Short-term employee benefits

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

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

(e) Share-based payment remuneration scheme

The Group applies IFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares.
Employee incentives include awards in the form of shares . The cost of the employee services received in respect of the shares or share granted is recognised in the income statement over the year that employees provide services, generally the year between the date the award is granted or notified and the vesting date of the shares. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.
The number of shares expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. Failure to meet the non-vesting condition is treated as a forfeiture, resulting in an acceleration of recognition of the cost of the employee services.
The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The cost recognised as a result of shares granted in the year has been expensed within Personnel expenses, with a corresponding increase in the Share scheme reserve

3.20 Share capital and reserves

(a) Share issue costs

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

(b) Dividend on the Bank's ordinary shares

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

(c) Treasury shares

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

(d) Earnings per share

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

(e) Regulatory risk reserve

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

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

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

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

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

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

(f) Capital reserve

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

(g) Fair value reserve

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

(h) Foreign currency translation reserve

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

(i) Retained earnings

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

3.21 Levies

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

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

For all fair value hedge relationships, Access Bank Plc determines that there is an adequate level of offsetting between the hedged item and hedging instrument via assessing the initial and ongoing effectiveness by comparing movements in fair value of the hedged item attributable to the hedged risk with movements in the fair value of the changes in the hedged instrument. Hedge effectiveness is measured on a cumulative basis over a time period management determines to be appropriate. Access Bank Plc uses either the actual ratio between the hedged item and hedging instruments or one that minimises hedge ineffectiveness to establish the hedge ratio for hedge accounting.

The hedge relationship is a fair value hedge of foreign exchange risk on the value of foreign currency denominated financial liabilities (Interest bearing loans and deposits from other financial institutions) and foreign currency swaps with CBN. The fair value of the financial liabilities is the hedged item while the foreign currency swap with CBN is the hedging instrument. The hedged risk is the risk of changes in the hedged items fair value attributable to changes in the benchmark foreign exchange rates.

Partial hedging approach was adopted by recording the changes in the fair value of the foreign currency swaps with CBN attributable to the spot rates together with any changes in the value of the loan liability in profit or loss. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the loan for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

The amortisation of the basis adjustment on the interest bearing loan is deferred until the interest bearing loan ceases to be basis adjusted.

Statement of prudential adjustments
In thousands of Naira

	Note	March 2021	December 2020
Bank			
Loans & advances:			
Expected credit loss (ECL) on loans to customers and banks			
- Loans to banks	22	298,596	298,622
- Loans to individuals	23(b)	3,131,564	2,831,595
- Loans to corporate	23(b)	86,794,463	116,210,945
Total impairment allowances on loans per IFRS		**90,224,623**	**119,341,162**
Total regulatory impairment based on prudential guidelines		**94,168,870**	**155,521,746**
Balance, beginning of the period		36,180,585	9,483,000
Additional transfers to/(from) regulatory risk reserve		(32,236,338)	26,697,585
Balance, end of the period		**3,944,247**	**36,180,585**

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

(iv) Valuation technique unquoted equity:

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

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

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

Description of valuation methodology and inputs:

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

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

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

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

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

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

a. Enterprise Value (EV):

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

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

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

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

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

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

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

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

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

Valuation Assumptions :

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

Basis of valuation:

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

Method of Valuation

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

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

4.1 *Valuation of financial instruments*

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

4.1.1 Recurring fair value measurements

In thousands of Naira
Group
March 2021

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,827,487	-	2,827,487
Non pledged trading assets				
Treasury bills	104,719,958	-	-	104,719,958
Government Bonds	27,012,272	-	-	27,012,272
Eurobonds	-	143,274	-	143,274
Equity	-	-	-	-
Derivative financial instrument	-	140,454,269	-	140,454,269
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	78,279,223	-	-	78,279,223
Government Bonds	4,665,630	-	-	4,665,630
-Financial instruments at FVPL				
Treasury bills	992,220	-	-	992,220
Government Bonds	463,179	-	-	463,179
Investment securities				
-Financial assets at FVOCI				
Treasury bills	673,489,736	-	-	673,489,736
Government Bonds	134,692,145	-	-	134,692,145
State government bonds	-	31,050,217	-	31,050,217
Corporate bonds	-	12,887,266	-	12,887,266
Eurobonds	-	20,031,842	-	20,031,842
Promissory notes	-	190,873,533	-	190,873,533
-Financial assets at FVPL				-
Equity	516,324	3,656,260	139,745,048	143,917,632
Assets held for sale	-	-	32,096,301	32,096,301
	1,034,870,125	413,166,027	178,227,813	1,626,263,966
Liabilities				
Derivative financial instrument	-	4,208,589	-	4,208,589
	-	4,208,589	-	4,208,589

Group
December 2020

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

Bank
March 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Nigerian Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,827,487	-	2,827,487
Non pledged trading assets				
Treasury bills	33,119,955	-	-	33,119,955
Government Bonds	15,822,496	-	-	15,822,496
Eurobonds	-	143,274		143,274
Equity	-	-	-	-
Derivative financial instrument	-	138,045,964	-	138,045,964
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	78,279,223	-	-	78,279,223
Government Bonds	4,665,630	-	-	4,665,630
-Financial instruments at FVPL				
Treasury bills	992,219	-	-	992,219
Government Bonds	463,179	-	-	463,179
Investment securities				
-Financial assets at FVOCI				
Treasury bills	500,924,721	-	-	500,924,721
Government Bonds	6,611,605	-	-	6,611,605
State government bonds	-	31,050,217	-	31,050,216
Corporate bonds	-	12,887,266	-	12,887,266
Eurobonds	-	13,973,891	-	13,973,891
Promissory notes	-	190,873,533	-	190,873,533
-Financial assets at FVPL				
Equity	516,324	3,656,260	139,713,278	143,885,862
Asset held for sale	-	-	31,906,302	31,906,302
	651,434,787	404,699,769	178,006,044	1,234,140,601
Liabilities				
Derivative financial instrument	-	3,516,749	-	3,516,749
	-	3,516,749	-	3,516,749

Bank
December 2020
In thousands of Naira

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

4.1.2 Financial instruments not measured at fair value

Group
March 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,121,289,199	1,121,289,199
Loans and advances to banks	-	-	389,013,222	389,013,222
Loans and advances to customers	-	-	3,256,216,275	3,256,216,275
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,924,301	-	-	98,924,301
Bonds	41,395,967	-	-	41,395,967
Investment securities				
-Financial assets at amortised cost				
Treasury bills	280,279,961	-	-	280,279,961
Bonds	286,922,058	4,419,154		291,341,211
Total return notes	-	-	-	(1)
Promissory notes	427,536	-	-	427,535
Other assets	-	-	1,617,221,820	1,617,221,820
	707,949,823	4,419,154	6,383,740,517	7,096,109,490
Liabilities				
Deposits from financial institutions	-	-	1,157,108,100	1,157,108,100
Deposits from customers	-	-	5,684,591,424	5,684,591,424
Other liabilities	-	-	417,656,861	417,656,861
Debt securities issued	173,037,389	-	-	173,037,389
Interest-bearing borrowings	-	-	781,708,265	781,708,265
	173,037,389	-	8,041,064,650	8,214,102,039

Group
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	723,872,820	723,872,820
Loans and advances to banks	-	-	392,821,307	392,821,307
Loans and advances to customers	-	-	3,218,107,026	3,218,107,026
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				-
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	272,033,759	5,406,240		277,439,999
Total return notes	45,527,717	-	-	45,527,717
Promissory notes	427,536	-	-	427,536
Other assets	-	-	1,522,315,074	1,522,315,074
	695,030,158	**5,406,240**	**5,857,116,229**	**6,557,552,625**

	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits from financial institutions	-	-	958,397,171	958,397,171
Deposits from customers	-	-	5,587,418,213	5,587,418,213
Other liabilities	-	-	356,638,122	356,638,122
Debt securities issued	169,160,058	-	-	169,160,058
Interest-bearing borrowings	-	-	791,455,237	791,455,237
	169,160,058	**-**	**7,693,908,743**	**7,863,068,801**

Bank
March 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	924,325,391	924,325,391
Loans and advances to banks	-	-	215,646,413	215,646,413
Loans and advances to customers	-	-	2,870,334,048	2,870,334,048
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,924,301	-	-	98,924,301
Bonds	41,395,967	-	-	41,395,967
Investment securities				
Financial assets at amortised cost				
Treasury bills	215,102,427	-	-	215,102,427
Bonds	258,774,156	4,419,154	-	263,193,310
Total return notes	-	-	-	-
Promissory notes	427,537	-	-	427,537
Other Assets	-	-	1,550,642,982	1,550,642,982
	614,624,391	4,419,154	5,560,948,834	6,179,992,378
Liabilities				
Deposits from financial institutions	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	-	-	370,155,689	370,155,689
Debt securities issued	173,037,389		-	173,037,389
Interest-bearing borrowings	-	-	735,023,156	735,023,156
	173,037,389	-	1,105,178,845	1,278,216,234

Bank
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	589,812,439	589,812,439
Loans and advances to banks	-	-	231,788,276	231,788,276
Loans and advances to customers	-	-	2,818,875,731	2,818,875,731
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	244,815,922	5,406,240	-	250,222,163
Total return notes	45,527,717	-	-	45,527,717
Promissory notes	427,537	-	-	427,537
Other Assets	-	-	1,471,481,476	1,471,481,476
	625,004,935	5,406,240	5,111,957,922	5,742,369,097
Liabilities				
Deposits from financial institutions	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	-	-	322,955,917	322,955,917
Debt securities issued	169,160,058		-	169,160,058
Interest-bearing borrowings	-	-	755,254,273	755,254,273
	169,160,058	-	1,078,210,190	1,247,370,247

Financial instrument measured at fair value

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

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

(c) Financial instruments in level 3

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

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

For level 2 assets, fair value was obtained using a recent market transaction during the year under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt securities with similar maturity profile and characteristics. There were transfers between levels 1 and 2 during the year on investment under management because the instruments involved are government securities with readily determinable price and they are risk free.

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

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

Description	Fair value at 31 March 2021	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of observable inputs to fair value
Derivative financial assets	138,045,964	Forward and swap: Fair value through market rate from a quoted market Futures: Fair value through reference market rate	Market rates from quoted market	126,283,898	127,043,843	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	3,516,749					
Investment in CSCS	5,643,750	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	5,925,938	5,361,563	The higher the share price, the higher the fair value
Nigerian Mortgage Refinance Company	323,333	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	337,052	304,952	The higher the share price, the higher the fair value

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

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

Description	Fair value at 31 March 2021	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Fair value if unobservable inputs increased by 5%	Fair value if unobservable inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in Africa Finance Corporation	116,608,646	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	122,439,078	110,778,213	116,949,029	116,268,263	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	4,058,931	Adjusted fair value comparison approach	Median PE ratios of comparable companies	4,261,878	3,855,985	3,969,341	4,149,516	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in NIBSS	7,802,112	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	8,192,217	7,412,006	7,629,901	7,976,234	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in Afrexim	50,760	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	53,298	48,222	20,063	20,545	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in FMDQ	3,332,927	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	3,499,573	3,166,280	3,301,691	3,451,560	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	792,743	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	832,380	753,105	775,245	810,435	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
CAPITAL ALLIANCE EQUITY FUND	4,493,114	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,717,770	4,268,458	4,717,770	4,268,458	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
NG Clearing	213,223	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	223,884	202,562	196,487	198,537	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
SANEF	50,000	Adjusted fair value comparison approach	Fair value of transactions at settlement date	52,500	47,500	52,500	47,500	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value

4.1.5 Reconciliation of Level 3 Investments

The following tables presents the changes in Level 3 instruments for the period ended 31 March 2021

Financial assets at fair value through profit or loss	**Group March 2021**	**Group December 2020**	**Bank March 2021**	**Bank December 2020**
Opening balance	112,559,385	112,559,385	112,527,686	112,527,686
Acquired from business combination	-	-	-	-
Total unrealised gains in P/L	30,841,851	28,672,684	30,841,851	28,672,684
Cost of Asset (Additions)	-	-	-	-
Sales	72	(1,175)	-	-
Balance, period end	**143,401,308**	**112,559,385**	**143,369,537**	**112,527,686**

Assets Held for Sale	**Group March 2021**	**Group December 2020**	**Bank March 2021**	**Bank December 2020**
Opening balance	28,318,470	24,957,521	28,128,474	24,957,525
Acquired from business combination	-	-	-	-
Additions	6,000,000	5,370,951	6,000,000	5,180,949
Disposals	(2,222,165)	(2,010,000)	(2,222,165)	(2,010,000)
Balance, period end	**32,096,305**	**28,318,470**	**31,906,309**	**28,128,474**

Investment under management	**Group March 2021**	**Group December 2020**	**Bank March 2021**	**Bank December 2020**
Opening balance	30,451,466	28,291,959	30,451,466	28,291,959
Additions	43,800	2,159,507	43,800	2,159,507
Balance, period end	**30,495,266**	**30,451,466**	**30,495,266**	**30,451,466**

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

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

(i) Cash

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

(ii) Loans and advances to banks and customers

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

(iii) Investment securities and pledged assets

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

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

(iv) Other assets

The bulk of these financial assets have short maturities with their amounts of financial assets in is a reasonable approximation of fair value.

(v) Deposits from banks and customers

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

(vi) Other liabilities

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

(vii) Interest bearing borrowings

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

(viii) Debt securities issued

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

Market risk management

The Group trades on bonds, treasury bills and foreign currency. Market risk in trading portfolios is monitored and controlled using tools such as position limits, value at risk and present value of an assumed basis points change in yields or exchange rates coupled with concentration limits. The major measurement technique used to measure and control market risk is outlined below.

The table below sets out information on the exposure to fixed and variable interest instruments.

Exposure to fixed and variable interest rate risk
Group
In thousands of Naira

March 2021	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	63,723,913	-	1,057,683,316	1,121,407,229
Non pledged trading assets	131,875,504	-	-	131,875,504
Derivative financial instruments	-	-	140,454,269	140,454,269
Loans and advances to banks	389,013,222	-	-	389,013,222
Loans and advances to customers	17,018,099	3,239,198,176	-	3,256,216,275
Pledged assets		-	-	-
Treasury bills	178,195,744	-	-	178,195,744
Bonds	46,524,776	-	-	46,524,776
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	673,489,736	-	-	673,489,736
Bonds	389,535,004	-	-	389,535,004
Promissory notes	190,873,533	-	-	190,873,533
-Financial assets at amortised cost				
Treasury bills	280,279,961	-	-	280,279,961
Bonds	291,170,904	-	-	291,170,904
Promissory notes	-	-	427,536	427,536
TOTAL	**2,651,700,397**	**3,239,198,176**	**1,198,565,122**	**7,089,463,695**
LIABILITIES				
Deposits from financial institutions	1,157,108,100	-	-	1,157,108,100
Deposits from customers	2,079,944,196	3,604,647,228	-	5,684,591,425
Derivative financial instruments	-	-	4,208,589	4,208,589
Debt securities issued	173,037,390	-	-	173,037,390
Interest-bearing borrowings	472,543,932	213,239,513	-	685,783,445
TOTAL	**3,882,633,618**	**3,817,886,742**	**4,208,589**	**7,704,728,947**

December 2020	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	89,783,183	-	634,294,495	724,077,678
Non pledged trading assets	207,951,943	-	-	207,951,943
Derivative financial instruments	-	-	251,112,744	251,112,744
Loans and advances to banks	392,821,307	-	-	392,821,307
Loans and advances to customers	17,182,330	3,200,924,696	-	3,218,107,026
Pledged assets		-	-	
Treasury bills	184,103,896	-	-	184,103,896
Bonds	44,451,010	-	-	44,451,010
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	748,230,225	-	-	748,230,225
Bonds	299,648,664	-	-	299,648,664
Promissory notes	80,033,790	-	-	80,033,790
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	322,795,238	-	-	322,795,238
Promissory notes	-	-	427,536	427,536
TOTAL	**2,624,111,031**	**3,200,924,696**	**885,834,776**	**6,710,870,503**

LIABILITIES				
Deposits from financial institutions	958,397,171	-	-	958,397,171
Deposits from customers	1,975,382,019	3,612,036,194	-	5,587,418,213
Derivative financial instruments	-	-	20,880,529	20,880,529
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	424,021,105	276,024,490	-	700,045,596
TOTAL	**3,526,960,353**	**3,888,060,685**	**20,880,529**	**7,435,901,565**

Bank

March 2021	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	27,539,820	-	896,809,031	924,348,852
Non pledged trading assets	49,085,723	-	-	49,085,723
Derivative financial instruments	-	-	138,045,964	138,045,964
Loans and advances to banks	215,646,413	-	-	215,646,413
Loans and advances to customers	14,774,576	2,855,559,471	-	2,870,334,048
Pledged assets				
Treasury bills	178,195,743	-	-	178,195,743
Bonds	46,524,776	-	-	46,524,776
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	500,924,721	-	-	500,924,721
Bonds	255,396,512	-	-	255,396,512
-Financial assets at amortised cost				
Treasury bills	215,102,427	-	-	215,102,427
Bonds	263,620,848	-	-	263,620,848
TOTAL	**1,766,811,560**	**2,855,559,471**	**1,034,854,995**	**5,657,226,027**
LIABILITIES				
Deposits from financial institutions	1,000,868,387	-	-	1,000,868,387
Deposits from customers	1,669,107,334	3,187,320,403	-	4,856,427,737
Derivative financial instruments	-	-	3,516,749	3,516,749
Debt securities issued	173,037,390	-	-	173,037,390
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	3,127,504,372	3,443,482,912	6,927,205	6,577,914,489

December 2020	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	40,095,277	-	549,751,317	589,846,594
Non pledged trading assets	110,283,111	-	-	110,283,111
Derivative financial instruments	-	-	244,564,046	244,564,046
Loans and advances to banks	231,788,276	-	-	231,788,276
Loans and advances to customers	15,031,149	2,803,844,582	-	2,818,875,731
Pledged assets				
Treasury bills	184,103,895	-	-	184,103,895
Bonds	44,451,010	-	-	44,451,010
Investment securities:				-
-Financial assets at FVOCI	-	-	-	-
Treasury bills	608,866,687	-	-	608,866,687
Bonds	186,958,446	-	-	186,958,446
-Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	296,177,417	-	-	296,177,417
TOTAL	**1,912,057,326**	**2,803,844,582**	**794,315,363**	**5,510,217,271**
LIABILITIES				
Deposits from financial institutions	831,632,332	-	-	831,632,332
Deposits from customers	1,586,352,293	3,246,392,200	-	4,832,744,493
Derivative financial instruments	-	-	20,775,722	20,775,722
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	2,871,635,945	3,502,554,708	24,186,178	6,398,376,831

Derivative financial instruments include elements of interest rate differential between the applicable underlying currencies. Further details on the fair value of derivatives have been discussed in Note 21 of the financial statement.

Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:
i) To comply with the capital requirements set by the Central Bank;
ii) To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
iii) To maintain a strong capital base to support the development of its business.

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 16% (15% + additional 1%) is to be maintained for deposit money banks designated as significant financial institutions. Following the CBN guideline on regulatory capital computation, the Regulatory Risk Reserve has been excluded from the capital computation. Standardised approach has been adopted in computing the risk weighted assets for Credit, Operational, and Market Risk. The following table provides an overview of the development of the capital ratios and risk-weighted assets (RWA):

The regulatory capital requirements are strictly observed when managing capital. The Bank's regulatory capital is managed by the Bank's Risk Management and Financial Control. Regulatory capital comprises two tiers:
- Tier 1 capital: This includes ordinary share capital, share premium, retained earnings and other reserves excluding regulatory reserves. Intangible assets, deferred tax assets and investment in subsidiaries were also deducted from Tier I capital for capital adequacy purposes; and
- Tier 2 capital: This includes fair value reserves, foreign currency translation reserves with adjustments for investments in subsidiaries.

IFRS 9 Regulatory Transition Arrangement

The Central Bank of Nigeria, in its circular on transitional arrangements on treatment of IFRS 9 expected credit loss for regulatory purposes by banks in Nigeria dated 18 October 2018, has recommended transitional arrangements to cushion the impact of IFRS 9 implementation on tier 1 regulatory capital. The Bank advised that the balance in regulatory risk reserve should be applied to retained earnings to reduce the additional ECL provisions on opening retained earnings. Where the additional ECL provision is higher than the regulatory risk reserve transfer, the excess shall be amortised in line with the transitional arrangements. The regulatory arrangement for amortization of the impact is as detailed in the table below:

Year	Provisions to be written back
Year 0 (January 1, 2018)	4/5 of Adjusted Day One Impact
Year 1 (December 31, 2018)	3/5 of Adjusted Day One Impact
Year 2 (December 31, 2019)	2/5 of Adjusted Day One Impact
Year 3 (December 31, 2020)	1/5 of Adjusted Day One Impact
Year 4 (December 31, 2021)	NIL

Therefore, the bank has computed Capital Adequacy Ratio based on the full impact of IFRS 9 and in line with regulatory provision described above

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Tier 1 capital with adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	331,305,645	252,396,876	271,027,102	224,866,514
Add back IFRS impact(adjusted day one impact)	39,626,943	39,626,943	39,626,943	39,626,943
Other reserves	202,754,435	239,494,174	158,546,022	232,886,642
Non-controlling interests	7,203,108	7,338,726	-	-
	832,701,594	**790,668,183**	**721,011,530**	**749,191,562**
Add/(Less):				
Fair value reserve for available-for-sale	(50,355,950)	(60,106,564)	(49,228,461)	(59,574,139)
Foreign currency translation reserves	(17,873,616)	(18,132,330)	-	-
Other reserves	(1,244,681)	(876,762)	(1,188,154)	128,244
Total Tier 1	**763,227,346**	**711,552,525**	**670,594,914**	**689,745,666**
Add/(Less):				
Deferred tax assets	(8,027,071)	(4,240,448)	-	-
Regulatory risk reserve	(14,271,068)	(46,425,978)	(3,944,247)	(62,878,169)
Intangible assets	(67,589,137)	(69,189,841)	(65,525,834)	(67,496,078)
Adjusted Tier 1	**673,340,069**	**591,696,258**	**601,124,833**	**559,371,418**
50% Investments in subsidiaries	-	-	(82,125,766)	(82,125,766)
Eligible Tier 1	**673,340,069**	**591,696,258**	**518,999,068**	**477,245,652**
Tier 2 capital				
Debt securities issued	240,143,194	237,633,454	240,143,194	237,633,454
Fair value reserve for available-for-sale securities	50,355,950	60,106,564	49,228,461	59,574,139
Foreign currency translation reserves	17,873,616	18,132,330	-	-
Other reserves	1,244,681	876,762	1,188,154	(128,244)
Total Tier 2	**309,617,441**	**316,749,110**	**290,559,809**	**297,079,349**
Adjusted Tier 2 capital (33% of Tier 1)	**224,424,245**	**197,212,363**	**200,354,908**	**186,438,495**

50% Investments in subsidiaries	-	-	(82,125,766)	(82,125,766)
Eligible Tier 2	**224,424,245**	**197,212,363**	**118,229,142**	**104,312,729**
Total regulatory capital	**897,764,314**	**788,908,621**	**637,228,210**	**581,558,381**
Risk-weighted assets	**4,046,900,304**	**3,827,611,095**	**3,398,657,000**	**3,145,109,947**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	22.18%	20.61%	18.75%	18.49%
Total tier 1 capital expressed as a percentage of risk-weighted assets	16.64%	15.46%	17.69%	17.79%

IFRS 9 Regulatory Transition Arrangement computation

IFRS 9 impact	(264,255,539)	(264,255,539)	(264,255,539)	(264,255,539)
Transfer from regulatory risk reserve	66,120,824	66,120,824	66,120,824	66,120,824
Net impact	(198,134,715)	(198,134,715)	(198,134,715)	(198,134,715)
Provision basis	0.20	0.20	0.20	0.20
IFRS 9 Regulatory Transition Arrangement	**39,626,943**	**39,626,943**	**39,626,943**	**39,626,943**

The IFRS 9 impact on Capital adequacy ration computation shows a significant increase from N73Bn which was the value of the impact at Access bank as at year of implementation to N264.2Bn for Bank . This is as a result of the merger between Access Bank Plc and the former Dimaond Bank Plc. The IFRS 9 impact from former Diamond Bank Plc was N190.79Bn for Bank

Capital adequacy ratio without adjustment

This is the presentation of the capital adequacy ratio without IFRS 9 Regulatory Transition Arrangement computation

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Tier 1 capital without adjusted ECL impact				
Ordinary share capital	17,772,613	17,772,613	17,772,613	17,772,613
Share premium	234,038,850	234,038,850	234,038,850	234,038,850
Retained earnings	331,305,645	252,396,876	271,027,102	224,866,514
Other reserves	202,754,435	239,494,174	158,546,022	232,886,642
Non-controlling interests	7,203,108	7,338,726	-	-
	793,074,651	**751,041,240**	**681,384,587**	**709,564,619**
Add/(Less):				
Fair value reserve for available-for-sale	(50,355,950)	(60,106,564)	(49,228,461)	(59,574,139)
Foreign currency translation reserves	(17,873,616)	(18,132,330)	-	-
Other reserves	(1,244,681)	(876,762)	(1,188,154)	128,244
Total Tier 1	**723,600,405**	**671,925,584**	**630,967,972**	**650,118,724**
Add/(Less):				
Deferred tax assets	(8,027,071)	(4,240,448)	-	-
Regulatory risk reserve	(14,271,068)	(46,425,978)	(3,944,247)	(62,878,169)
Intangible assets	(67,589,137)	(69,189,841)	(65,525,834)	(67,496,078)
Adjusted Tier 1	**633,713,128**	**552,069,317**	**561,497,891**	**519,744,476**
50% Investments in subsidiaries	-	-	(82,125,766)	(82,125,766)
Eligible Tier 1	**633,713,128**	**552,069,317**	**479,372,126**	**437,618,711**
Tier 2 capital				
Debt securities issued	240,143,194	237,633,454	240,143,194	237,633,454
Fair value reserve for available-for-sale securities	50,355,950	60,106,564	49,228,461	59,574,139
Foreign currency translation reserves	17,873,616	18,132,330	-	-
Other reserves	1,244,681	876,762	1,188,154	(128,244)
Total Tier 2	**309,617,441**	**316,749,110**	**290,559,809**	**297,079,349**
Adjusted Tier 2 capital (33% of Tier 1)	**211,216,586**	**184,004,703**	**187,147,247**	**173,230,834**
50% Investments in subsidiaries	-	-	(82,125,766)	(82,125,766)
Eligible Tier 2	**211,216,586**	**184,004,703**	**105,021,481**	**91,105,068**
Total regulatory capital	**844,929,713**	**736,074,020**	**584,393,607**	**528,723,779**
Risk-weighted assets	**3,980,779,480**	**3,761,490,271**	**3,332,536,176**	**3,078,989,123**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	21.23%	19.57%	17.54%	17.17%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15.92%	14.68%	16.85%	16.88%

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 March 2021**	**Group December 2020**
In thousands of Naira		
Other Assets	1,647,256,896	1,548,891,263

Deferred tax asset	8,027,071	4,240,448
Assets Held for Sale	32,096,301	28,318,467
Goodwill	11,782,170	11,782,170
	1,699,162,439	**1,593,232,348**
Other liabilities	430,298,331	379,416,799
Debt Securities issued	173,037,390	169,160,059
Interest-bearing loans and borrowings	781,708,265	791,455,239
Deferred tax liability	19,406,105	14,877,283
Retirement Benefit Obligation	4,792,659	4,941,268
Total liabilities	**1,409,242,750**	**1,359,850,648**

Material revenue and expenses

	Group March 2021	Group March 2020
Interest expense on debt securities issued		
Interest expense on debts	(5,112,653)	(4,762,644)
	(5,112,653)	**(4,762,644)**

7a Operating segments (continued)
Group
March 2021

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Retail Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	95,161,416	58,261,355	11,267,990	57,450,338	-	222,141,100	222,141,100
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	95,161,416	58,261,355	11,267,990	57,450,338	-	222,141,100	222,141,100
Interest Income	45,225,522	56,114,569	8,666,175	33,791,611	-	143,797,877	143,797,877
Interest expense	(20,324,919)	(19,923,889)	(2,659,334)	(6,930,440)	-	(49,838,582)	(49,838,582)
Impairment Losses	(7,056,562)	(5,734,003)	924,299	(668,898)	-	(12,535,164)	(12,535,164)
Profit/(Loss) on ordinary activities before	31,291,134	14,627,990	2,731,631	11,399,679	-	60,050,435	60,050,435
Income tax expense	(2,222,069)	(2,972,297)	(1,006,852)	(1,301,851)	-	(7,503,069)	(7,503,069)
Profit after tax	29,069,066	11,655,693	1,724,779	10,097,828		52,547,366	52,547,366
Assets and liabilities:							
Loans and Advances to banks and customers	1,383,545,522	2,002,655,296	131,167,623	127,861,056	-	3,645,229,497	3,645,229,497
Goodwill		-	-	-	11,782,170	11,782,170	11,782,170
Tangible segment assets	3,030,258,360	3,709,692,376	285,396,981	329,693,749	-	7,355,041,467	7,355,041,467
Unallocated segment assets	-	-	-	-	1,699,162,439	1,699,162,439	1,699,162,439
Total assets	3,030,258,360	3,709,692,376	285,396,981	329,693,749	1,699,162,439	9,054,203,905	9,054,203,905
Deposits from customers	1,825,105,342	1,428,853,532	442,591,286	1,988,041,264	-	5,684,591,424	5,684,591,424
Segment liabilities	2,396,506,391	2,205,330,490	554,108,860	2,650,686,417	-	7,806,632,159	7,806,632,159
Unallocated segment liabilities	-	-	-	-	454,497,095	454,497,095	454,497,095
Total liabilities	2,396,506,391	2,205,330,490	554,108,860	2,650,686,417	454,497,095	8,261,129,254	8,261,129,254
Net assets	633,751,969	1,504,361,886	(268,711,879)	(2,320,992,668)	1,244,665,343	793,074,652	793,074,654

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.

March 2020
Operating segments (continued)

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total continuing operations	Total
Revenue:							
Derived from external customers	152,178,378	24,377,029	6,189,208	27,050,182	-	209,794,796	209,794,796
Derived from other business segments	-	-	-	-	-	-	-
Total Revenue	152,178,378	24,377,029	6,189,208	27,050,182	-	209,794,796	209,794,796
Interest Income	97,028,973	16,062,494	3,508,573	15,268,489	-	131,868,529	131,868,529
Interest expense	(45,531,961)	(6,655,848)	(2,178,343)	(5,290,358)	-	(59,656,510)	(59,656,510)
Impairment Losses	(4,125,226)	(4,479,164)	231,132	(208,915)	-	(8,582,173)	(8,582,173)
Profit/(Loss) on ordinary activities before	30,998,481	6,796,895	1,772,781	6,724,740	-	46,292,898	46,292,898
Income tax expense	(3,592,439)	(786,635)	(205,017)	(780,085)		(5,364,175)	(5,364,175)
Profit after tax	27,406,042	6,010,260	1,567,765	5,944,656		40,928,723	40,928,723
December 2020							
Assets and liabilities:							
Loans and Advances to banks and custom	1,399,422,889	1,968,269,298	139,723,758	103,512,388	-	3,610,928,333	3,610,928,333
Goodwill	-	-	-	-	11,782,170	11,782,170	11,782,170
Tangible segment assets	2,902,215,498	3,649,593,598	299,874,847	234,831,429	-	7,086,515,373	7,086,515,372
Unallocated segment assets	-	-	-	-	1,593,232,348	1,593,232,348	1,593,232,348
Total assets	2,902,215,498	3,649,593,598	299,874,847	234,831,429	1,593,232,348	8,679,747,721	8,679,747,720
Deposits from customers	1,859,947,455	1,292,933,544	509,183,415	1,925,353,800	-	5,587,418,213	5,587,418,213
Segment liabilities	2,490,726,294	1,864,145,915	660,059,818	2,514,539,102	-	6,568,855,834	7,529,471,129
Unallocated segment liabilities	-	-	-	-	399,235,340	1,359,850,648	399,235,340
Total liabilities	2,172,957,657	1,626,316,850	575,848,916	2,193,732,411	1,359,850,648	7,928,706,483	7,928,706,483
Net assets	729,257,841	2,023,276,748	(275,974,070)	(1,958,900,982)	233,381,700	751,041,238	751,041,237

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

March 2021

In thousands of Naira	Nigeria	Rest of Africa	Europe	Total Continuing Operations	Discontinued Operations	Intercompany elimination	Total
Derived from external customers	179,533,079	25,961,344	12,548,950	218,043,372	-	(1,230,717)	216,812,655
Derived from other segments	-	-	-	-	-	-	-
Total revenue	179,533,079	25,961,344	12,548,950	218,043,372	-	(1,230,717)	216,812,655
Interest income	117,535,368	17,972,859	9,520,366	145,028,594	-	(1,230,717)	143,797,876
Impairment losses	(11,923,917)	(516,367)	(94,883)	(12,535,167)	-	-	(12,535,167)
Interest expense	(42,646,206)	(6,443,353)	(1,979,740)	(51,069,300)	-	1,230,717	(49,838,582)
Net fee and commission income	24,796,378	5,811,359	121,903	30,729,640	-	-	30,729,640
Operating income	136,886,874	19,517,990	10,569,209	166,974,073	-	-	166,974,073
Profit before income tax	43,130,129	9,921,618	6,998,688	60,050,435	-	-	60,050,435
Assets and liabilities:							
Loans and advances to customers and banks	3,085,980,461	140,168,458	690,406,177	3,916,555,096	-	(271,325,598)	3,645,229,497
Total assets	7,853,291,160	756,274,325	1,002,758,371	9,612,323,856	-	(558,119,949)	9,054,203,903
Deposit from customers	4,856,427,742	482,927,837	345,235,849	5,684,591,429	-	-	5,684,591,428
Total liabilities	7,171,906,573	614,937,306	862,157,913	8,649,001,793	-	(387,872,541)	8,261,129,254
Net assets	681,384,587	141,337,019	140,600,458	963,322,063	-	(170,247,414)	793,074,649

March 2020	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Discontinued Operations**	**Intercompany elimination**	**Total**
Derived from external customers	181,307,181	19,401,557	10,843,918	211,552,657	-	(1,757,863)	209,794,794
Derived from other segments	-	-	-	-	-	-	-
Total revenue	181,307,181	19,401,557	10,843,918	211,552,657	-	(1,757,863)	209,794,794
Interest income	111,907,070	13,275,215	8,444,106	133,626,390	-	(1,757,863)	131,868,527
Impairment losses	(8,266,658)	(315,513)	-	(8,582,171)	-	-	(8,582,171)
Interest expense	(53,662,240)	(5,001,937)	(2,750,197)	(61,414,374)	-	1,757,863	(59,656,510)
Net fee and commission income	18,237,471	4,627,835	132,514	22,997,821	-		22,997,821
Operating income	127,644,943	14,399,620	8,093,722	150,138,283	-	-	150,138,283
Profit before income tax	33,685,417	7,197,772	5,409,709	46,292,898	-	-	46,292,898
December 2020							
Assets and liabilities:							
Loans and advances to customers and banks	3,050,664,007	121,469,257	718,027,311	3,890,160,575	-	(279,232,242)	3,610,928,333
Total assets	7,624,979,724	642,141,021	937,200,529	9,204,321,274	-	(524,573,550)	8,679,747,724
Deposit from customers	4,832,744,498	421,675,525	332,998,195	5,587,418,217	-	-	5,587,418,217
Total liabilities	6,971,084,063	512,458,350	802,014,849	8,285,557,262	-	(356,850,777)	7,928,706,485
Net assets	653,895,665	129,682,671	135,185,680	918,764,017	-	(167,722,771)	751,041,245

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 31 March 2021 and for the year ended 31 December 2020. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.

8 Interest income

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Interest income				
Cash and balances with banks	2,408,805	2,631,381	1,445,641	2,029,090
Loans and advances to banks	3,775,956	1,381,934	1,466,192	548,842
Loans and advances to customers	82,094,605	83,843,967	70,320,653	73,073,815
Investment securities				
-Financial assets at FVOCI	29,742,530	16,372,388	24,389,483	10,502,065
-Financial assets at amortised cost	7,945,096	9,521,372	6,324,550	8,230,423
	125,966,993	113,751,042	103,946,519	94,384,235
-Financial assets at FVPL	17,830,884	18,117,486	13,588,849	17,522,835
	143,797,877	**131,868,529**	**117,535,367**	**111,907,070**
Interest expense				
Deposit from financial institutions	13,739,517	17,024,436	13,128,140	16,864,136
Deposit from customers	21,028,466	31,269,646	14,711,158	25,760,139
Debt securities issued	5,112,653	4,762,644	5,112,653	4,762,644
Lease liabilities	195,397	263,853	187,247	237,989
Interest bearing borrowings and other borrowed funds	9,762,550	6,335,932	9,507,008	6,037,331
	49,838,582	**59,656,510**	**42,646,206**	**53,662,240**
Net interest income	**93,959,295**	**72,212,019**	**74,889,160**	**58,244,829**

Interest income for the period ended 31 March 2021 includes interest accrued on impaired financial assets of Group: N128.56Mn (31 March 2020: N265.77Mn) and Bank: N123.49Mn (31 March 2020: N99.48Mn).

The Group experienced significant reduction in interest expense attributable to the drop in interest payout for savings accounts based on the decision to reduce interest on savings to 11.5% of monetary policy rate (MPR) from 12%. The volume of interbank takings also experienced signifcant dwindling for the period resulting in decreased interest expense on deposits from financial institutions. The increase in interest income is attributable to increased level of trading activities during the period.

9 Net impairment charge on financial assets

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Allowance for impairment on loans and advance to banks (note 22)	353,288	(901,501)	26	(851,301)
Allowance for impairment on loans and advance to customers	(12,159,543)	(7,120,465)	(11,136,621)	(6,889,148)
Write back/(allowance) on impairment on financial assets in other assets (note 26)	(110,281)	(81,358)	(100,100)	(81,358)
Allowance for impairment on off balance sheet items (note 34c)	(401,407)	(380,607)	(360,865)	(357,337)
Allowance for impairment on money market placement (note 18b)	86,824	(118)	10,695	(89)
(Allowance)/write back of impairment on investment securities	(270,218)	(98,125)	(303,222)	(87,427)
Allowance write back of impairment on pledged assets	(33,829)	-	(33,829)	-
	(12,535,167)	(8,582,173)	(11,923,917)	(8,266,660)

10 (a) Fee and commission income

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Credit related fees and commissions	11,023,114	8,503,268	7,735,060	5,386,310
Account maintenance charge and handling commission	5,201,871	3,885,344	4,963,038	3,837,367
Commission on bills and letters of credit	1,018,416	701,006	979,689	665,863
Commissions on collections	120,193	185,846	77,388	143,722
Commission on other financial services	2,615,730	1,490,000	1,901,626	914,341
Commission on foreign currency denominated transactions	859,800	1,562,739	198,769	1,337,445
Channels and other E-business income	17,917,284	11,451,631	16,782,933	10,610,277
Retail account charges	194,005	162,263	129,333	108,923
	38,950,413	**27,942,097**	**32,767,836**	**23,004,247**

Credit related fees and commissions are fees charged to corporate customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost. These fees are accounted for in accordance with the Group's revenue accounting policy. The representation of all fees and commission recognised in the period and prior period at a point in time and over a period of time is as shown below.

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Point in Time	36,043,385	25,775,236	31,646,005	21,989,867
Over Time	2,907,029	2,166,862	1,121,831	1,014,379
	38,950,413	**27,942,097**	**32,767,836**	**23,004,246**

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

10 (b) Fee and commission expense

In thousands of Naira	March 2021	March 2020	March 2021	March 2020
Bank and electronic transfer charges	1,038,844	837,794	804,281	687,251
E-banking expense	7,181,929	4,106,482	7,167,177	4,079,525
	8,220,773	**4,944,277**	**7,971,458**	**4,766,776**

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

11 Net gain on financial instruments at fair value

a Net gain on financial instruments at fair value through profit or loss

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Trading gains on Fixed income securities	(1,287,623)	(1,043,241)	(3,002,282)	(1,425,755)
Fair value gains/ (loss) on Fixed income securities	(9,710,985)	(1,083,452)	(9,710,985)	(1,083,452)
Fair value gain on Derivative instruments	35,281,870	84,245,999	35,281,870	84,245,999
Fair value gain/(loss) on equity investments	2,150,809	239,900	2,150,810	239,900
Total Net gain on financial instruments at fair value through profit or loss	**26,434,071**	**82,359,205**	**24,719,414**	**81,976,692**

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

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Debt instruments at FVOCI				
Fixed income securities	633,136	545,105	532,047	458,072
	633,136	**545,105**	**532,047**	**458,072**
Total	**27,067,207**	**82,904,311**	**25,251,461**	**82,434,764**

Net gains/(loss) on financial instruments includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

Fair value gain on equity investments is from investments in which the Bank has interests. Based on IFRS 9, the Bank measures changes in fair value of equity investments through profit or loss.

Gain on derivative instruments are from transactions to which the Bank is a party in the normal course of business and are held at fair value. Derivative financial instruments consist of forward, swap and future contracts.

12 (a) Net foreign exchange gain/(loss)

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Foreign exchange Gain/(loss) on items not hedged	1,079,174	(1,458,885)	(1,437,008)	(4,330,290)
Unrealised foreign exchange loss on revaluation	-	(53,259,076)	-	(53,259,076)
Total Net Foreign Exchange Gain/(Loss)	**1,079,174**	**(54,717,961)**	**(1,437,008)**	**(57,589,366)**

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

Net gain on fair value hedge (Hedging ineffectiveness)	5,328,444	-	5,328,444	-
	5,328,444	**-**	**5,328,444**	**-**

Mar-21 Fair value hedges	Average strike price N'000	Nominal amount of hedging instrument N'000	Carrying amount of hedging instrument (Assets) N'000	Changes in fair value used for calculating hedge ineffectiveness N'000
Foreign exchange risk on liabilities	381.86	992,000,000	133,668,622	23,433,087

*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	
Mar-21	**N'000**	**N'000**	**N'000**	**N'000**	
Fair value hedges					
Foreign exchange risk on foreign currency loan - Interest bearing loan	-	307,291,235	-	4,126,870	Interest bearing borrowings
Foreign exchange risk on foreign currency loan - Deposit from financial institution	-	1,152,989,946	-	20,682,361	Deposit from financial institution

Mar 2021 Fair value hedge	Hedge ratio	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss (that includes hedge ineffectiveness)	Amount reclassified from the cash flow hedge reserve to profit or loss
Hedging reserve - Fair value changes in hedging instrument (forward element)	73%	23,433,087	5,328,444	Net gain on fair value hedge (Hedging ineffectiveness)	-

Mar 2021 'Fair value hedges	Ineffectiveness recognised in profit or loss N'000
Foreign exchange risk on foreign currency interest bearing borrowings and deposit from financial institutions	5,328,444

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

Mar 2021	0-3 months	3-12 months	1-5 years	5-20 years	20+ years
Fair value hedging					
Hedging assets	10,078,981.03	123,589,641	-	-	-

For hedges of foreign currency liabilities, the Bank enters into hedge relationships where the critical terms of the hedging instrument are closely aligned with the terms of the hedged item. The Bank therefore performs a qualitative assessment of effectiveness. Sources of ineffectiveness include timing differences between the settlement dates of the hedged item and hedging instruments, quantity or notional amount differences between the hedged item and hedging instrument and credit risk of the Bank and its counterparty to the forward contract.

13 Other operating income

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Dividends on equity securities	2,176,023	2,042,451	2,176,022	2,042,451
Gain on disposal of property and equipment	41,791	2,503,929	27,038	2,500,637
Rental income	2,435	1,454	-	-
Bad debt recovered	1,357,904	15,715,528	1,338,362	15,706,493
Cash management charges	204,914	199,656	204,914	199,656
Income from agency and brokerage	185,260	61,181	84,240	61,181
Income from asset management	-	1,021,225	-	1,021,225
Income from other investments	394,909	187,442	224,074	5,665
Income from other financial services	1,554,747	64,955	1,360,773	13,158
	5,917,984	**21,797,821**	**5,415,423**	**21,550,466**

Included in income from agency and brokerage is an amount of N7.0m (Mar 2020: N8.38m) representing the referral commission earned from bancassurance products.

	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Point in Time	5,915,549	21,796,367	5,415,424	21,550,466
Over time	2,435	1,454	-	-
	5,917,984	**21,797,821**	**5,415,424**	**21,550,466**

14 Personnel expenses

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Wages and salaries	18,892,072	18,576,171	13,581,672	14,581,979
Increase in defined benefit obligation (see note 37 (a) (i))	188,411	250,000	188,410	250,000
Contributions to defined contribution plans	613,918	525,767	351,518	353,635
Restricted share performance plan (b)	367,917	280,565	311,390	280,565
	20,062,318	**19,632,503**	**14,432,992**	**15,466,178**

In line with the provision of S.238 of CAMA 2020, the Remuneration of the managers of the company for the period ended Mar 2021 amounted to N932.5Mn (Mar 2020: N970Mn).

15 Other operating expenses

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
€ 970.00				
Premises and equipment costs	3,799,330	4,145,187	3,142,424	3,706,724
Professional fees	1,625,675	1,759,189	926,864	1,386,718
Insurance	795,857	708,199	662,736	638,098
Business travel expenses	952,795	2,681,332	868,670	2,507,949
Asset Management Corporation of Nigeria (AMCON) surcharge	21,041,881	17,521,837	21,041,881	17,521,837
Bank charges	2,046,562	2,661,063	1,712,073	2,354,392
Deposit insurance premium	5,546,176	3,714,760	5,448,250	3,664,000
Auditor's remuneration	240,381	230,162	139,600	175,000
Administrative expenses	7,470,724	8,740,538	6,738,596	8,535,073
Board expenses	160,104	427,215	89,580	328,321
Communication expenses	501,158	501,415	162,689	187,910
IT and e-business expenses	5,195,109	5,549,270	4,409,971	4,767,057
Outsourcing costs	4,922,757	4,739,114	4,635,386	4,471,104
Advertisements and marketing expenses	1,127,027	1,395,225	906,352	1,291,369
Recruitment and training	337,336	1,065,506	276,310	985,029
Events, charities and sponsorship	1,621,297	2,106,408	1,526,461	2,042,707
Periodicals and Subscriptions	223,367	128,470	139,025	56,870
Security expenses	1,283,744	1,354,623	1,069,605	1,196,139
Cash processing and management cost	1,860,560	2,603,126	1,815,649	2,601,457
Stationeries, postage and printing	444,300	495,317	342,171	400,645
Office provisions and entertainment	93,159	227,528	54,956	141,589
Rent expenses	1,204,340	795,938	682,349	383,829
	62,493,642	63,551,426	56,791,598	59,343,818

17 Earnings per share

(a) Basic from continuing operations

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the company and held as treasury shares.

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Profit for the period from continuing operations	51,910,238	40,409,087	37,523,212	29,790,317
Weighted average number of ordinary shares in issue	35,545,226	33,890,912	35,545,226	33,890,912
Weighted average number of treasury Shares	729,103	563,505	-	-
	34,816,123	33,327,408	35,545,226	33,890,912
In kobo per share				
Basic earnings per share from continuing operations	149	121	106	88

Diluted EPS

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

In thousands of Naira	Group March 2021	Group March 2020	Bank March 2021	Bank March 2020
Profit for the period from continuing operations	51,910,238	40,409,087	37,523,212	29,790,317
Weighted average number of ordinary shares in issue	35,545,226	33,890,912	35,545,226	33,890,912
In kobo per share				
Diluted earnings per share from continuing operations	146	119	106	88

18 Cash and balances with banks

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Cash on hand and balances with banks (see note (i))	923,005,819	536,708,368	800,739,240	489,653,105
Unrestricted balances with central banks	53,591,329	51,127,105	14,983,623	13,639,189
Money market placements	63,723,913	89,783,183	27,539,820	40,095,277
Other deposits with central banks (see note (ii)	81,086,169	46,459,022	81,086,169	46,459,022
	1,121,407,229	**724,077,678**	**924,348,852**	**589,846,594**
ECL on Placements	(118,030)	(204,856)	(23,460)	(34,156)
	1,121,289,199	**723,872,822**	**924,325,391**	**589,812,439**

(i) Included in cash on hand and balances with banks is an amount of N43.54Bn (31 Dec 2020: N33.93Bn) representing the Naira value of foreign currencies held on behalf of customers to cover letter of credit transactions. The corresponding liability is included in customer's deposit for foreign trade reported under other liabilities (see Note 34). This has been excluded for cash flow purposes.

(ii) The balance of N89.3bn represents the nominal value of outstanding forward contracts entered on behalf of customers, with the Central Bank of Nigeria.

Movement in ECL on Placements

	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Opening balance at beginning of the period	204,855	91,446	34,156	1,275
Acquired from business combination	-	-	-	-
-Charge for the period	-	113,411	-	32,880
Write off	-	-	-	-
Write back	(86,824)	-	(10,695)	-
Closing balance	**118,030**	**204,856**	**23,460**	**34,156**

19 Investment under management

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Relating to unclaimed dividends:				
Government bonds	3,882,771	3,882,771	3,882,771	3,882,771
Placements	6,386,464	6,386,464	6,386,464	6,386,464
Commercial paper	4,132,806	4,132,806	4,132,806	4,132,806
Nigerian treasury bills	6,156,666	6,156,666	6,156,666	6,156,666
Mutual funds	7,109,072	7,109,072	7,109,072	7,109,072
Eurobonds	2,827,487	2,783,687	2,827,487	2,783,687
	30,495,266	**30,451,466**	**30,495,266**	**30,451,466**

The Bank entrusted the sum transferred to it by the Registrars in respect of unclaimed dividends with select Asset Managers who will ensure safekeeping and manage the funds for the benefit of the Bank. The investments by the Asset Managers are as listed above (the corresponding liability which is due to the Registrar is reported as "unclaimed dividend" in other liabilities.

20 Non pledged trading assets

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Government bonds	27,012,272	91,841,202	15,822,496	12,488,649
Eurobonds	143,274	74,615	143,274	74,615.29
Treasury bills	104,719,958	116,036,126	33,119,955	97,719,848
	131,875,504	**207,951,943**	**49,085,724**	**110,283,112**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	March 2021		December 2020	
Group				
Foreign exchange derivatives				
Total derivative assets	**1,497,716,594**	**140,454,269**	**1,132,096,948**	**251,112,744**
Non-deliverable future contracts	-	3,159,681	-	9,126,853
Forward and swap contracts	1,497,716,594	137,294,589	1,132,096,948	241,985,892
Total derivative liabilities	**31,007,188**	**(4,208,589)**	**301,693,689**	**(20,880,529)**
Non-deliverable future contracts	-	(3,159,679)	-	(9,126,851)
Forward and swap contracts	31,007,188	(1,048,909)	301,693,689	(11,753,678)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	March 2021		December 2020	
Bank				
Foreign exchange derivatives				
Total derivative assets	**1,358,482,378**	**138,045,964**	**1,089,971,280**	**244,564,046**
Non-deliverable future contracts	-	3,159,681	-	9,126,853
Forward and swap contracts	1,358,482,378	134,886,283	1,089,971,280	235,437,193
Total derivative liabilities	**23,610,314**	**(3,516,749)**	**227,896,259**	**(20,775,722)**
Non-deliverable future contracts	-	(3,159,680)	-	(9,126,852)
Forward and swap contracts	23,610,314	(357,069)	227,896,259	(11,648,870)

	March 2021 Fair Value	
	Group	**Bank**
Current (Hedging Instruments)	133,668,622	133,668,622
Non- Current (Hedging Instruments)	-	-
Current (Non-Hedging Instruments)	2,577,059	860,593
Non- Current (Non-Hedging Instruments)	-	-

Derivative financial instruments consist of forward, swap and future contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates of between 30 days and a year. All derivative contracts are considered to be valued with reference to data obtained from the Financial Market Dealer Quotation (FMDQ).

22 Loans and advances to banks

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Loans and advances to banks	389,381,857	393,473,191	215,945,009	232,086,898
Less allowance for impairment losses	(368,635)	(651,884)	(298,596)	(298,622)
	389,013,222	**392,821,307**	**215,646,413**	**231,788,276**

Group

Impairment allowance for loans and advances to banks

In thousands of Naira	March 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	316,199	-	-	316,199
Standard grade	-	-	-	-
Non Investment	-	-	52,436	52,436
Total	**316,199**	**-**	**52,436**	**368,635**

	March 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2021	599,449	-	52,435	651,883
-Charge for the period:				
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	(353,288)	-	-	(353,288)
Amounts written off	-	-	-	-
Foreign exchange revaluation	70,038	-	-	70,038
At 31 March 2021	**316,199**	**-**	**52,435**	**368,635**

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	599,261	-	-	599,195
Standard grade	188	-	-	188
Non Investment	-	-	52,435	52,501
Total	**599,449**	**-**	**52,435**	**651,884**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Restated ECL allowance as at 1 January 2020	270,188	-	1,354,935	1,625,122
-Charge for the period:	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the period	329,619	-	859,330	1,188,950
Amounts written off	-	-	(2,162,189)	(2,162,189)
At 31 December 2020	**599,449**	**-**	**52,435**	**651,884**

Bank

Loans to banks

In thousands of Naira	March 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
Internal rating grade:				
Investment	246,095	-	-	246,095
Standard grade	-	-	-	-
Non Investment	-	-	52,501	52,501
Total	**246,095**	**-**	**52,501**	**298,596**

	March 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2021	246,121	-	52,501	298,621
-Charge for the period:				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Total net P&L charge during the period	(26)	-	-	(26)
Amounts written off	-	-	-	-
At 31 March 2021	**246,095**	**-**	**52,501**	**298,596**

Impairment allowance for loans and advances to banks

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	245,933	-	-	245,933
Standard grade	188	-	-	188
Non Investment	-	-	52,501	52,501
Total	**246,121**	**-**	**52,501**	**298,622**

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	7,053	-	1,354,935	1,361,987
Acquired from Business Combination	-	-	-	-
-Charge for the period:	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(358)	-	358	-
Total net P&L charge during the period	239,426	-	859,396	1,098,823
Amounts written off	-	-	(2,162,189)	(2,162,189)
At 31 December 2020	**246,121**	**-**	**52,501**	**298,622**

23 Loans and advances to customers

a Group

	March 2021
In thousands of Naira	
Loans to individuals	
Retail Exposures	
Auto Loan	10,804,556
Credit Card	22,546,064
Finance Lease (note 23c)	1,341,923
Mortgage Loan	59,383,612
Overdraft	12,544,302
Personal Loan	30,328,373
Term Loan	18,276,045
Time Loan	46,680,122
	201,904,997
Less allowance for expected credit loss	(4,442,972)
	197,462,025
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,012,003
Credit Card	285,632
Finance Lease (note 23c)	2,415,613
Mortgage Loan	56,680,504
Overdraft	318,487,866
Personal Loan	-
Term Loan	2,428,031,778
Time Loan	369,664,820
	3,177,578,215
Less allowance for expected credit loss	(118,823,965)
	3,058,754,250
Loans and advances to customers (Individual and corporate entities and other organizations)	3,379,483,212
Less allowance for expected credit loss	(123,266,937)
	3,256,216,275

ECL allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

	March 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment				-
Standard grade	-	-	-	-
Non-Investment	1,073,938	128,417	-	1,202,355
Sub-standard grade	-	653,808	2,586,809	3,240,617
Total	**1,073,938**	**782,225**	**2,586,809**	**4,442,973**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	629,734	761,045	2,621,276	4,012,055
- Charge for the period:				
Transfers to Stage 1	984,646	(62,854)	(921,792)	-
Transfers to Stage 2	(460,295)	1,641,694	(1,181,398)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the period	(54,132)	292,193	192,857	430,918
Amounts written off	-	-	-	-
Translation difference	-	-	-	-
At 31 March 2021	**1,073,938**	**782,225**	**2,586,809**	**4,442,973**

Loans to corporate entities and other organizations
In thousands of Naira

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	3,444,949	3,843,233	-	7,288,182
Standard grade	24,926,041	34,422,247	-	59,348,288
Non-Investment	-	19,915,209	32,272,286	52,187,495
Total	**28,370,990**	**58,180,689**	**32,272,286**	**118,823,965**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	31,989,893	58,230,704	54,821,587	145,042,183
- Charge for the period:				-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3,211,296)	7,105,847	(3,894,550)	-
Transfers to Stage 3	(2,388,270)	(8,161,854)	10,550,122	-
Total net P&L charge during the period	(276,292)	6,225	11,998,692	11,728,625
Amounts written off	-	-	(40,253,133)	(40,253,133)
Translation difference	2,256,955	999,768	(950,432)	2,306,291
At 31 March 2021	**28,370,991**	**58,180,689**	**32,272,285**	**118,823,965**

Group

In thousands of Naira	December 2020
Loans to individuals	
Retail Exposures	
Auto Loan	12,131,274
Credit Card	23,808,948
Finance Lease (note 23c)	1,581,736
Mortgage Loan	71,940,949
Overdraft	12,603,063
Personal Loan	29,890,378
Term Loan	50,830,204
Time Loan	6,517,424
	209,303,977
Less Allowance for ECL/Impairment losses	(4,012,055)
	205,291,922
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,002,632
Credit Card	291,342
Finance Lease (note 23c)	2,665,738
Mortgage Loan	55,758,103
Overdraft	341,613,983
Personal Loan	-
Term Loan	2,370,093,900
Time Loan	385,431,589
	3,157,857,286
Less Alowance for ECL/Impairment losses	(145,042,183)
	3,012,815,103
Loans and advances to customers (Individual and corporate entities and other organizations)	3,367,161,263
Less Allowance for ECL/Impairment losses	(149,054,237)
	3,218,107,026

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	-	-	-	-
Non-Investment	629,734	431,507	-	1,061,241
Sub-standard grade	-	329,538	2,621,276	2,950,813
Total	**629,734**	**761,045**	**2,621,276**	**4,012,055**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	712,723	1,223,765	3,239,997	5,176,485
- Charge for the period				
Transfers to Stage 1	64,055	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(44,509)	(1,628,858)	1,673,367	-
Total net P&L charge during the period	7,057	1,401,115	983,277	2,391,449
Amounts written off	-	-	(2,819,383)	(2,819,383)
Translation difference	(69,238)	(283,037)	(384,222)	(736,497)
At 31 December 2020	**629,734**	**761,045**	**2,621,276**	**4,012,055**

Loans to corporate entities and other organizations

In thousands of Naira	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	1,918,337	27,033,883	-	28,952,220
Standard grade	18,790,398	32,848,728	-	51,639,126
Non-Investment	-	50,032,238	55,590,669	105,622,907
Total	**31,989,893**	**58,230,704**	**54,821,587**	**145,042,183**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	20,708,736	109,914,849	55,590,669	186,214,254
- Charge for the period	-	-	-	-
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	-
Transfers to Stage 2	(1,580,280)	24,981,107	(23,400,827)	-
Transfers to Stage 3	(10,867,992)	(70,888,932)	81,756,924	-
Total net P&L charge during the period	8,473,613	5,842,676	43,630,475	57,946,765
Amounts written off	-	-	(102,338,382)	(102,338,382)
Translation difference	2,326,193	1,282,805	(389,449)	3,219,549
At 31 December 2020	**31,989,893**	**58,230,706**	**54,821,587**	**145,042,183**

23 Loans and advances to customers

b Bank

In thousands of Naira	March 2021
Loans to individuals	
Retail Exposures	
Auto Loan	2,779,650
Credit Card	21,338,081
Finance Lease (note 23c)	1,254,811
Mortgage Loan	3,216,155
Overdraft	12,160,331
Personal Loan	17,446,289
Term Loan	17,519,580
Time Loan	43,668,668
	119,383,565
Less Allowance for Expected credit loss	(3,131,563)
	116,252,002
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,012,003
Credit Card	285,351
Finance Lease (note 23c)	1,967,084
Mortgage Loan	299,261
Overdraft	301,081,452
Term Loan	2,174,828,882
Time Loan	360,402,475
	2,840,876,508
Less Allowance for Expected credit loss	(86,794,463)
	2,754,082,046
Loans and advances to customers (Individual and corporate entities and other organizations)	2,960,260,074
Less Allowance for Expected credit loss	(89,926,026)
	2,870,334,048

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	March 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	1,007,256	128,417	-	1,135,674
Non-Investment	-	298,171	1,697,718	1,995,889
Total	**1,007,256**	**426,589**	**1,697,718**	**3,131,564**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	569,711	440,920	1,820,964	2,831,594
- Charge for the period:				
Transfers to Stage 1	984,646	(62,854)	(921,792)	-
Transfers to Stage 2	(460,295)	1,641,694	(1,181,398)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the period	(60,790)	256,682	104,078	299,969
Amounts written off	-	-	-	-
At 31 March 2021	**1,007,256**	**426,589**	**1,697,718**	**3,131,563**

Loans to corporate entities and other organizations

In thousands of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	3,013,739	3,843,233	-	6,856,973
Standard grade	23,201,205	34,422,247	-	57,623,452
Non-Investment	-	11,379,936	10,934,102	22,314,038
Sub-standard grade	-	-	-	
Total	**26,214,944**	**49,645,416**	**10,934,102**	**86,794,463**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	30,049,136	50,547,709	35,614,100	116,210,944
- Charge for the period:				
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3,211,296)	7,105,847	(3,894,550)	-
Transfers to Stage 3	-	(7,380,215)	7,380,215	-
Total net P&L charge during the period	(622,895)	(627,925)	12,087,471	10,836,651
Amounts written off	-	-	(40,253,133)	(40,253,133)
Foreign exchange revaluation	-	-	-	-
At 31 March 2021	**26,214,944**	**49,645,416**	**10,934,103**	**86,794,463**

23 Loans and advances to customers

b Bank

In thousands of Naira	December 2020
Loans to individuals	
Retail Exposures	
Auto Loan	2,302,812
Credit Card	22,330,433
Finance Lease (note 23c)	1,476,588
Mortgage Loan	3,148,606
Overdraft	12,137,933
Personal Loan	14,122,606
Term Loan	49,911,419
Time Loan	3,316,596
	108,746,994
Less Allowance for ECL/Impairment losses	(2,831,594)
	105,915,399
Loans to corporate entities and other organizations	
Non-Retail Exposures	
Auto Loan (note 23c)	2,002,632
Credit Card	291,064
Finance Lease (note 23c)	2,235,225
Mortgage Loan	-
Overdraft	324,438,511
Term Loan	2,123,869,130
Time Loan	376,334,715
	2,829,171,276
Less Allowance for ECL/Impairment losses	(116,210,945)
	2,712,960,332
Loans and advances to customers (Individual and corporate entities and other organizations)	2,937,918,270
Less Allowance for ECL/Impairment losses	(119,042,539)
	2,818,875,731

Impairment allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

	December 2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	-
Standard grade	569,711	431,507	-	1,001,218
Non-Investment	-	9,413	1,820,964	1,830,375
Total	**569,711**	**440,920**	**1,820,964**	**2,831,595**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2020	632,815	1,117,221	3,026,908	4,776,944
- Charge for the period	-	-	-	
Transfers to Stage 1	64,055	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the period	(60,790)	1,125,492	104,078	1,168,779
Amounts written off	-	-	(3,114,129)	(3,114,129)
At 31 December 2020	**569,711**	**440,920**	**1,820,964**	**2,831,595**

Loans to corporate entities and other organizations
In thousands of Naira

	December 2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	15,498,335	4,326,734	-	19,825,069
Standard grade	14,550,801	45,509,751	-	60,060,552
Non-Investment	-	711,224	35,614,100	36,325,324
Sub-standard grade	-	-	-	
Total	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
ECL allowance as at 1 January 2020	18,388,167	107,357,778	50,476,532	176,222,477
Acquired from Business Combination	-	-	-	-
- Charge for the period				
Transfers to Stage 1	12,929,622	(12,901,798)	(27,824)	-
Transfers to Stage 2	(1,580,279)	24,981,106	(23,400,828)	-
Transfers to Stage 3	(1,800,198)	(68,961,472)	70,761,670	-
Total net P&L charge during the period	2,799,880	286,524	33,246,089	36,332,493
Amounts written off	-	-	(91,705,461)	(91,705,461)
Foreign exchange revaluation	(688,056)	(214,430)	(3,736,078)	(4,638,564)
At 31 December 2020	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

24 Pledged assets

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
-Financial instruments at FVOCI				
Treasury bills	78,279,223	999,521	78,279,223	999,521
Government bonds	4,665,630	2,617,080	4,665,630	2,617,080
	82,944,853	3,616,601	82,944,853	3,616,601
-Financial instruments at amortised cost				
Treasury bills	98,924,301	98,097,771	98,924,301	98,097,771
Government bonds	41,395,967	41,833,930	41,395,967	41,833,930
	140,320,270	139,931,702	140,320,270	139,931,702
ECL on financial assets at amortized cost	(23,528)	(9,370)	(23,528)	(9,370)
	140,296,742	139,922,332	140,296,742	139,922,332
-Financial instruments at FVPL				
Treasury bills	992,220	85,006,604	992,219	85,006,603
Government bonds	463,179	-	463,179	-
	1,455,399	85,006,604	1,455,398	85,006,603
	224,696,993	**228,545,536**	**224,696,993**	**228,545,536**

ECL allowance on pledged assets at fair value through other comprehensive income

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Opening balance	431	-	431	-
Additional allowance	19,671	431	19,671	431
Allowance written back	-	-	-	-
Balance, end of period	**20,102**	**431**	**20,102**	**431**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on pledged assets at amortized cost

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Opening balance	9,370	-	9,370	-
Additional allowance	14,158	9,370	14,158	9,370
Allowance written back	-	-	-	-
Balance, end of period	**23,528**	**9,370**	**23,528**	**9,370**

The related liability for assets pledged as collateral include:				
Central Bank of Nigeria (CBN)	263,087,834	265,728,206	263,087,834	265,728,206
Bank of Industry (BOI)	24,050,095	43,116,940	24,050,095	43,116,940
	287,137,929	**308,845,147**	**287,137,929**	**308,845,147**

The other counterparties included in this category of pledged assets include FIRS, Valu card, Interswitch, NIBSS and others.

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. Pledged assets includes pledges to counterparties for total return swap of N 487.39mn (31 December 2020: N759.31mn). The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets. This disclosure in 24(i) is inclusive of only liabilities that actual cash has been received for.

25 Investment securities

At fair value through profit or loss *In thousands of Naira*	**Group March 2021**	**Group December 2020**	**Bank March 2021**	**Bank December 2020**
Equity securities at fair value through profit or loss (see note (i) below)	143,917,632	141,765,576	143,885,862	141,735,053

At fair value through other comprehensive income *In thousands of Naira*	**March 2021**	**December 2020**	**March 2021**	**December 2020**
Debt securities				
Government bonds	134,692,145	150,094,494	6,611,605	44,296,019
Treasury bills	673,489,736	748,230,225	500,924,721	608,866,687
Eurobonds	20,031,842	22,032,870	13,973,891	15,141,127
Corporate bonds	12,887,266	15,745,714	12,887,266	15,745,714
State government bonds	31,050,217	31,741,795	31,050,217	31,741,795
Promissory notes	190,873,533	80,033,790	190,873,533	80,033,790
	1,063,024,740	1,047,878,889	756,321,232	795,825,134
Changes in fair value of FVOCI instruments	(9,393,354)	6,285,641	(10,895,931)	7,078,908
Changes in allowance on FVOCI financial instruments	272,388	301,004	255,976	357,990
Net fair value changes in FVOCI instruments	**(9,120,967)**	**6,586,645**	**(10,639,955)**	**7,436,898**

At amortised cost *In thousands of Naira*				
Debt securities				
Treasury bills	280,279,961	237,109,445	215,102,427	194,302,056
Total return notes	-	45,527,717	-	45,527,717
Federal government bonds	286,415,904	271,536,033	259,371,587	245,366,108
State government bonds	3,946,866	4,933,952	3,946,866	4,933,952
FGN Promissory notes	427,536	427,536	427,537	427,537
Corporate bonds	472,288	472,288	472,288	472,288
Eurobonds	506,154	497,726	-	-
Gross amount	572,048,709	560,504,698	479,320,706	491,029,659
ECL on financial assets at amortized cost	(597,845)	(600,016)	(597,431)	(550,186)
Carrying amount	571,450,865	559,904,683	478,723,275	490,479,473
Total	**1,778,393,237**	**1,749,549,148**	**1,378,930,370**	**1,428,039,660**

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	**Group March 2021**	**Group December 2019**	**Bank March 2021**	**Bank December 2019**
Opening balance at 1 January	412,100	111,096	357,990	63,712
Additional allowance	272,389	301,004	255,976	294,278
Allowance written back	-	-	-	-
Balance, end of period	**684,488**	**412,100**	**613,966**	**357,990**

ECL on financial assets at fair value through OCI are presented in statement of changes in equity.

ECL allowance on investments at amortized cost

In thousands of Naira	**Group March 2021**	**Group December 2020**	**Bank March 2021**	**Bank December 2020**
Opening balance at 1 January 2021/1 Jan 2020	600,016	559,223	550,185	534,188
Acquired from business combination	-	-	-	-
-Charge for the period	47,245	42,672	47,245	17,877
Allowance written back	(49,416)	(1,879)	-	(1,879)
Balance, end of period	**597,845**	**600,016**	**597,430**	**550,185**

(i) Equity securities at FVPL (carrying amount)

Central securities clearing system limited	5,643,750	5,643,750	5,643,750	5,643,750
Nigeria interbank settlement system plc.	7,802,112	7,802,112	7,802,112	7,802,112

Unified payment services limited	4,058,931	4,058,931	4,058,931	4,058,931
Africa finance corporation	116,608,646	114,520,852	116,608,646	114,520,852
E-Tranzact	516,324	534,682	516,324	534,682
African export-import bank	50,760	49,851	50,760	49,851
FMDQ Holdings	3,332,927	3,332,927	3,332,927	3,332,927
Nigerian mortage refinance company plc.	323,333	323,333	323,333	323,333
Credit reference company	792,743	792,743	792,743	792,743
NG Clearing Limited	213,223	213,223	213,223	213,223
Capital Alliance Equity Fund	4,493,114	4,412,649	4,493,114	4,412,649
Shared agent network expansion facility	50,000	50,000	50,000	50,000
Others	31,770	30,523	-	-
	143,917,632	**141,765,575**	**143,885,862**	**141,735,053**

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

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

Group — **March 2021**

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	134,692,145	53,704
Treasury bills	673,489,736	267,645
Eurobonds	20,031,842	74,000
Corporate bonds	12,887,266	9,451
State government bonds	31,050,217	229,243
Promissory notes	190,873,533	50,442
Total	**1,063,024,740**	**684,487**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	286,415,904	64,056	286,351,848
Treasury bills	280,279,961	32,952	280,247,010
Total return notes	-	-	1
Eurobonds	506,152	414	505,738
Corporate bonds	472,288	472,288	(0)
State government bonds	3,946,866	28,079	3,918,787
FGN Promissory notes	427,536	57	427,480
Total	**572,048,707**	**597,845**	**571,450,861**

Bank

At fair value through other comprehensive income
In thousands of Naira

	Fair value	ECL
Debt securities		
Government bonds	6,611,605	53,704
Treasury bills	500,924,721	267,645
Eurobonds	13,973,891	3,478
Corporate bonds	12,887,266	9,451
State government bonds	31,050,217	229,243
Promissory notes	190,873,533	50,442
Total	**756,321,232**	**613,964**

At amortised cost
In thousands of Naira

	Amortized cost	ECL	Carrying Amount
Debt securities			
Government bonds	259,371,587	64,056	259,307,531
Treasury bills	215,102,427	32,952	215,069,475
Total return notes	-	-	-
Eurobonds	-	-	-
Corporate bonds	472,288	472,288	-
State government bonds	3,946,866	28,079	3,918,787
Promissory notes	427,537	57	427,480
Total	**479,320,706**	**597,431**	**478,723,274**

Group

Financial instruments at fair value through other comprehensive income — **March 2021**
In thousands of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	310,090,774	-	-	310,090,774
Standard grade	748,149,984	-	-	748,149,984
Non-Investment	4,783,982	-	-	4,783,982
Total	**1,063,024,740**	**-**	**-**	**1,063,024,740**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	412,099	-	-	412,099
- Charge for the period	272,388	-	-	272,388
At 31 March 2021	**684,486**	**-**	**-**	**684,486**

Financial instruments at amortised cost
In thousands of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	92,728,003	-	-	92,728,003
Standard grade	478,219,706	-	-	478,219,706
Non-Investment	619,343	-	472,288	1,091,631
Total	**571,567,052**	**-**	**472,288**	**572,039,339**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	127,729	-	472,288	600,016
Acquired from business combination				-
- Charge for the period	47,245	-	-	47,245
Write back	(49,416)	-	-	(49,416)
At 31 March 2021	**125,558**	**-**	**472,288**	**597,845**

March 2021

Bank

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

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade			-	-
Investment	3,387,266	-	-	3,387,266
Standard grade	748,149,984	-	-	748,149,984
Non-Investment	4,783,982	-	-	4,783,982
Total	**756,321,232**	**-**	**-**	**756,321,232**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	357,989	-	-	357,989
- Charge for the period	255,975	-	-	255,975
At 31 March 2021	**613,964**	**-**	**-**	**613,964**

Financial instruments at amortised cost
In thousands of Naira

	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	(1)
Standard grade	478,219,706	-	-	478,219,706
Non-Investment	619,343	-	472,288	1,091,631
Total	**478,839,049**	**-**	**472,288**	**479,311,335**

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	77,898	-	472,288	550,185
- Charge for the period	47,245	-	-	47,245
Write back	-	-	-	-
At 31 March 2021	**125,144**	**-**	**472,288**	**597,430**

26 Restricted deposits and other assets

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Financial assets				
Accounts receivable	125,261,073	120,801,111	104,140,402	104,210,867
Receivable on E-business channels	104,956,987	78,265,416	96,688,725	77,297,389
Deposit for investment in AGSMEIS (see note (a)below)	13,363,490	13,363,490	13,363,490	13,363,490
Subscription for investment (see note (b)below)	11,806,691	7,306,029	11,806,690	7,306,028
Restricted deposits with central banks (see note (c)below)	1,368,943,758	1,308,729,111	1,331,528,819	1,275,279,265
	1,624,332,000	1,528,465,157	1,557,528,125	1,477,457,038
Non-financial assets				
Prepayments	26,400,731	22,858,594	15,116,508	15,835,561
Inventory (see note (d)below)	3,634,344	3,717,594	3,098,322	3,316,020
	30,035,076	26,576,189	18,214,830	19,151,581
Gross other assets	1,654,367,075	1,555,041,345	1,575,742,955	1,496,608,619
Allowance for impairment on other assets				
Accounts receivable	(7,110,180)	(6,150,083)	(6,885,144)	(5,975,562)
Subscription for investment	-	-	-	-
	1,647,256,896	**1,548,891,263**	**1,568,857,810**	**1,490,633,057**
Classified as:				
Current	253,142,955	219,492,632	212,158,814	194,684,276
Non current	1,394,113,941	1,329,398,631	1,356,698,998	1,295,948,781
	1,647,256,896	**1,548,891,263**	**1,568,857,811**	**1,490,633,058**

Movement in allowance for impairment on other assets:

In thousands of Naira	**Group Accounts Receivable**	**Group subscription for investments**	**Bank Accounts Receivable**	**Bank subscription for investments**
Balance as at 1 January 2020	5,984,322	25,002	5,819,761	25,001
ECL allowance for the period:				
Acquired from business combination	210,546	-	-	-
- Additional provision	2,634,937	-	2,431,517	-
- Provision no longer required	-	-	-	-
Net impairment	2,845,484	-	2,431,517	-
- Allowance written back	-	(25,002)	-	-
- Write Off	(2,548,443)	-	(2,548,443)	
-Reclassification	272,726		272,726	
-Translation difference	(404,006)	-	-	-
Balance as at 31 December 2020/1 January 2021	6,150,083	-	5,975,560	25,001
ECL allowance for the period:				
- Additional provision	110,281	-	100,100	-
- Writeback	-	-	-	-
Net ECL allowance	110,281	-	100,100	-
Acquired from business combination	-	-	-	-
Allowance written back	-	-	-	(25,001)
- Write Off	-	-	-	-
-Reclassification	809,484	-	809,484	-
-Translation difference	40,332	-	-	-
Balance as at 31 March 2021	7,110,180	-	6,885,144	-

(a) Deposit for investment in AGSMEIS represents the Bank's deposit as equity investment in Agri-business/Small and Medium Enterprises Investment Scheme. As approved by the Bankers' Committee on 9th February 2017, all Deposit Money Banks are required to invest 5% of prior year's Profit After Tax as equity investment in the scheme.

(b) Subscription for investment balance relates to deposits paid for the acquisition of equity investments for which shares have not been issued to the Bank.

(c) Restricted deposits with central banks comprise the cash reserve requirements of the Central Bank of Nigeria and other central banks of jurisdictions that the Group operates in as well as the special intervention fund with the Central Bank of Nigeria of N89.58Bn introduced in January 2016 as a reduction in the cash reserve ratio with a view of channeling the reduction to financing the real sector. These balances are not available for day to day operations of the Group.

(d) Inventory consists of blank debit cards, cheque leaves, computer consumables and other stationery held by the Bank. Increase in prepayments resulted from services that have been paid in advance for the year for which the amortization will be over the relevant year of service. These include rents and advertisements.

27(a) Subsidiaries (with continuing operations)

(i) Group entities

Set out below are the group's subsidiaries as at 31 March 2021. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity.
There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances

			Ownership interest	
	Nature of business	**Country of incorporation**	**March 2021**	**December 2020**
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	70.00%	70.00%
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%

Diamond Finance B.V. is a structured entity, incorporated on former Diamond Bank's behalf by intertrust (a Netherlands corporate finance company) for the sole purpose of issuing loan participatory notes to interested parties for the purpose of funding a subordinated facility to former Diamond Bank. Access Bank (hereafter known as "The Bank") has determined that it has control over the entity due to the power it has to direct relevant activities of the entity. The Bank has no direct holdings in the entity. The former Diamond Bank issued dollar denominated notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor which is 7 years while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the loan participatory Notes was used by the issuer (Diamond Finance BV) for the sole purpose of providing a loan to former Diamond Bank, which was used by the erstwhile Diamond Bank to support its business expansion and development. The bank unconditionally and irrevocably guaranteed the due payment of all sums by the issuer (Diamond Finance BV) in respect of the Notes. This obligation has been transferred to Access Bank upon the successful completion of the merger between both entities

The Bank acquired Cavmont Bank of Zambia during the year through Access Bank Zambia. The central Bank of Zambia granted approval for the acquisition on the 4th January, 2021. The Bank has 100% ownership in the subsidiary.

(ii) Structured entities:

			Ownership interest	
	Nature of business	**Country of incorporation**	**March 2021**	**December 2020**
Restricted Share Performance Plan (RSF	Financial services	Nigeria	100%	100%
Diamond Finance BV	Banking	Netherlands	100%	100%

27(b)(i) Investment in subsidiaries

In thousands of Naira	Bank March 2021	Bank December 2020
Subsidiaries with continuing operations		
Access Bank, UK	60,044,822	60,044,822
Access Bank, Ghana	32,195,607	32,195,607
Access Bank Rwanda	5,220,925	5,220,925
Access Bank, Congo	13,205,190	13,205,190
Access Bank, Zambia	4,274,925	4,274,925
Access Bank, Gambia	7,061,501	7,061,501
Access Bank, Sierra Leone	3,398,136	3,398,136
Access Bank, Guinea	5,441,100	5,441,100
Access Bank, Mozambique	15,309,709	15,309,709
Access Bank, Kenya	11,614,775	11,614,775
Investment in RSPP scheme	4,484,842	4,484,842
Access Bank Pension Fund Custodian	2,000,000	2,000,000
Balance, end of period	**164,251,532**	**164,251,532**

Based on the contractual arrangements between the Bank and the shareholders in each of the entities, the Bank has the power to appoint and remove the majority of the board of Directors of each entity.

The relevant activities of each of the listed subsidiaries are determined by the Board of Directors of each entity based on simple majority shares. Therefore, the directors of the Bank concluded that the Bank has control over each of the above listed entities and were consolidated in the Bank financial statements.

All investment in subsidiaries have been classified as non current with a closing balance of N164.25Bn

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27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at March 2021 are as follows

Condensed profit and loss *In thousands of naira*	**The Access Bank UK**	**Access Bank Ghana**	**Access Bank Rwanda**	**Access Bank (R.D. Congo)**	**Access Bank Zambia**	**Access Bank Gambia**	**Access Bank Sierra Leone**	**Access Bank Investment in RSPP**	**Diamond Finance B.V.**	**Access Bank Guinea**	**Access Bank PFC**	**Access Bank Mozambique**	**Access Bank Kenya**
Operating income	10,542,561	12,102,309	1,138,010	2,357,983	1,766,388	297,282	493,737	-	(21)	-	134,528	56,667	948,440
Operating expenses	(3,448,990)	(3,832,591)	(611,563)	(1,352,658)	(1,248,016)	(190,816)	(266,193)	-	(8,270)	-	(84,955)	(611,830)	(650,464)
Net impairment loss on financial assets	(94,883)	(301,343)	(16,630)	-	(195,189)	-	-	-	-	-	-	-	(3,206)
Profit before tax	6,998,688	7,968,375	509,817	1,005,325	323,182	106,465	227,544	-	(8,291)	-	49,573	(555,163)	294,770
Income tax expense	(1,628,861)	-	(152,620)	-	(101,845)	(10,964)	-	-	-	-	-	-	-
Profit for the period	5,369,827	7,968,375	357,197	1,005,325	221,337	95,501	227,544	-	(8,291)	-	49,573	(555,163)	294,770
Assets													
Cash and cash equivalents	125,596,074	89,843,003	20,432,543	51,957,284	29,778,097	10,992,593	3,075,944	-	15,761	5,441,100	3,518,416	7,576,156	4,827,800
Non pledged trading assets	-	82,397,858	-	-	-	-	-	-	-	-	-	-	391,921
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	1,350,629	1,057,676	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	355,332,342	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	335,078,847	76,928,447	10,864,147	20,896,168	17,610,546	1,338,030	1,376,054	-	(5,012)	-	40,329	244,382	10,870,356
Investment securities	169,000,320	144,477,399	17,024,627	-	34,652,651	8,212,341	9,244,813	-	-	-	-	1,950,775	14,899,942
Investment properties	-	-	-	-	-	-	-		-	-	-	-	-
Other assets	7,291,755	19,187,237	1,914,724	1,423,751	5,932,951	5,087,150	848,841	-	2,273	-	71,950	563,216	1,346,497
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	726,607	-	-	-	-	-	-	5,211,450	-	-	-	-	-
Property and equipment	2,199,668	16,864,201	1,612,572	5,341,909	1,769,629	896,584	862,689	-	-	-	885,198	4,313,241	865,334
Intangible assets	957,657	121,593	343,372	169,226	419,213	142,737	62,943	-	-	-	49,170	12,435	11,878
Deferred tax assets	-	2,443,400	-	-	295,379	-	(0)	-	-	-	-	1,586	302,318
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	190,000	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
	997,533,899	433,320,815	52,191,986	79,788,339	90,458,466	26,669,433	15,471,286	5,211,450	13,022	5,441,100	4,755,063	14,661,791	33,516,045
Financed by:													
Deposits from banks	508,004,451	19,218,175	-	-	12,855,451	5,042,822	662,682	-	-	-	-	-	515,155
Deposits from customers	345,235,849	277,013,855	40,354,218	53,607,950	60,419,656	15,905,253	9,849,683	-	-	-	-	1,314,233	24,462,988
Derivative Liability	691,840	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	13,120	-	-	6,107	-	-	-	-	-	-	-	-
Current tax liabilities	-	-	179,054	4,756	-	-	-	-	1,702	-	32,122	-	-
Other liabilities	8,130,167	24,889,969	3,023,462	6,007,137	4,393,359	1,732,835	598,578	-	992	-	94,656	1,320,998	3,354,455
Interest-bearing loans and borrowings	-	34,068,892	-	5,258,400	7,357,818	-	-	-	-	-	-	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	92,912	1,133,152	168,220	-	-	33,796	10,495	-	-	-	33,805	-	-
Equity	135,378,679	76,983,652	8,467,031	14,910,095	5,426,076	3,954,730	4,349,848	5,211,450	10,326	5,441,100	4,594,480	12,026,560	5,183,448
	997,533,898	433,320,815	52,191,986	79,788,339	90,458,466	26,669,433	15,471,286	5,211,450	13,022	5,441,100	4,755,063	14,661,791	33,516,045

27 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at December 2020 are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Diamond Finance B.V.	Access Bank Guinea	Access Bank PFC	Access Bank Mozambique	Access Bank Kenya
Operating income	8,080,760	10,314,800	906,642	1,399,295	841,523	262,085	380,901	-	-	-	129,835	-	-
Operating expenses	(2,671,052)	(3,714,862)	(669,503)	(1,245,008)	(536,882)	(193,780)	(232,698)	-	(10,142)	-	(93,882)	-	-
Net impairment loss on financial assets	-	(243,242)	-	-	(75,038)	2,778	(11)	-	-	-	-	-	-
Profit before tax	5,409,709	6,356,696	237,139	154,287	229,603	71,083	148,191	-	(10,142)	-	35,953	-	-
Income tax expense	(1,228,026)	-	(69,417)	(54,000)	(68,881)	(11,703)	(37,048)	-	-	-	-	-	-
Profit for the period	4,181,683	6,356,696	167,722	100,286	160,722	59,379	111,144	-	(10,142)	-	35,953	-	-
Assets													
Cash and cash equivalents	63,364,931	63,260,587	22,333,660	46,756,250	12,211,512	8,585,568	2,328,412	-	15,714	5,441,100	3,543,678	8,838,764	4,677,651
Non pledged trading assets	-	97,316,595	-	-	-	-	-	-	-	-	-	-	394,618
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	4,750,080	1,798,618	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to banks	333,225,682	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	364,424,736	67,768,331	11,946,904	19,553,103	6,192,467	1,041,309	1,253,181	-	20,376,893	-	45,043	206,308	11,081,031
Investment securities	134,875,103	121,041,959	18,558,626	-	15,842,191	8,235,318	7,741,028	-	-	-	-	495,459	14,719,803
Investment properties	-	-	-	-	-	-	-		-	-	-	-	-
Other assets	7,213,162	7,622,064	1,148,618	1,387,102	2,167,413	4,760,685	794,397	-	512	-	3,069	384,459	2,942,883
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	626,803	-	-	-	-	-	-	5,111,646	-	-	-	-	-
Property and equipment	2,312,321	17,797,532	1,555,298	4,227,839	1,556,169	910,924	815,425	-	-	-	842,533	4,069,795	497,555
Intangible assets	902,947	146,056	337,657	167,326	112,908	115,169	65,007	-	-	-	54,716	12,721	6,175
Deferred tax assets	-	2,379,805	-	964,257	308,639	-	(0)	-	-	-	-	1,471	586,277
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	190,000	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
	911,695,765	379,131,546	55,880,764	73,055,878	38,391,299	23,648,973	12,997,451	5,111,646	20,393,119	5,441,100	4,679,039	14,008,977	34,905,993
Financed by:													
Deposits from banks	437,045,501	16,255,788	-	-	2,141,688	3,832,755	242,547	-	-	-	-	-	-
Deposits from customers	332,998,195	250,878,031	43,496,599	49,709,004	27,207,792	14,401,879	8,202,484	-	-	-	-	725,395	27,054,342
Derivative Liability	104,808	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	13,275	-	340,622	3,223	-	-	-	-	-	-	-	-
Current tax liabilities	-	(897,774)	253,605	4,834	246,084	-	-	-	1,750	-	4,529	-	-
Other liabilities	11,324,418	13,651,658	3,710,312	4,643,567	1,095,944	1,538,332	364,965	-	3,441	-	93,995	1,579,903	2,678,540
Interest-bearing loans and borrowings	-	28,340,115	-	5,610,801	2,250,046	-	-	-	20,368,784	-	-	-	-
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	167,951	2,536,146	168,411	1,031	-	33,433	10,647	-	-	-	33,805	-	-
Equity	130,054,892	68,354,307	8,251,838	12,746,019	5,446,524	3,842,575	4,176,809	5,111,646	19,141	5,441,100	4,546,710	11,703,680	5,173,110
	911,695,766	379,131,546	55,880,764	73,055,878	38,391,299	23,648,973	12,997,453	5,111,646	20,393,117	5,441,100	4,679,039	14,008,977	34,905,993
Net cashflows from investing activities	(10,364,793)	(6,908,944)	(5,026,051)	(1,446,798)	(3,904,789)	(1,076,558)	(1,078,188)	-	-	-	180,403	-	-
Net cashflows from financing activities	-	13,402,981	(230,100)	6,969,344	(16,781)	-	381,034	-	-	-	-	-	-
Increase in cash and cash equivalents	(157,422,881)	29,751,743	(3,880,837)	8,790,544	(241,169)	(69,621)	616,953	-	-	-	55,250	-	-
Cash and cash equivalent, beginning of period	324,117,060	99,138,778	17,372,132	21,928,507	10,293,915	-	409,045	-	-	-	3,788,264	-	-
Effect of exchange rate fluctuations on cash held	(24,219)	2,511,232	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalent, end of period	166,669,958	131,401,753	13,491,295	30,719,051	10,052,746	(69,621)	1,025,998	-	-	-	3,843,514	-	-

28 (a) Property and equipment
Group

In thousands of Naira

	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost							
Balance at 1 January 2021	119,160,366	32,972,842	40,058,675	76,480,526	27,202,676	13,970,142	309,845,227
Acquired from business combination	276,589	-	95,694	65,162	21,359	67,335	526,139
Acquisitions	4,439,172	-	256,708	2,076,788	644,795	1,145,782	8,563,246
Disposals	-	-	(844)	(80,549)	(302,800)	-	(384,193)
Write-offs	-	-	-	-	-	(10,340)	(10,340)
Reclassifications to other asset	-	-	-	-	-	(1,491,184)	(1,491,184)
Transfers	991,132	-	68,465	705,968	-	(1,765,566)	-
Translation difference	742,862	-	17,060	11,811	(3,645)	(367,690)	400,398
Balance at 31 March 2021	**125,610,123**	**32,972,842**	**40,495,759**	**79,259,710**	**27,562,386**	**11,548,479**	**317,449,292**
Balance at 1 January 2020	120,498,322	31,754,879	33,124,341	68,788,535	23,216,355	16,437,297	293,819,729
Acquired from business combination	93,480	-	13,657	170,603	-	-	277,740
Acquisitions	4,357,136	541,000	4,124,079	9,243,753	4,391,180	10,411,553	33,068,701
Disposals	(9,601,003)	(2,660,958)	(375,503)	(3,615,100)	(662,950)	-	(16,915,514)
Transfers							-
Write-offs	(264,711)	-	(17,902)	(215,739)	(13,040)	(112,658)	(624,051)
Transfers	4,181,273	3,337,921	2,899,843	1,978,194	111,003	(12,508,234)	-
Translation difference	(104,132)	-	290,160	130,278	160,126	(257,816)	218,616
Balance at 31 December 2020	119,160,366	32,972,842	40,058,675	76,480,526	27,202,676	13,970,142	309,845,221

Depreciation and impairment losses	Leasehold improvement and building	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2021	16,310,908	-	28,790,954	51,977,342	15,824,039	-	112,903,244
Charge for the period	775,371	-	1,176,805	2,546,178	1,045,999	-	5,544,352
Impairment Charge						-	-
Disposal	-	-	(12,220)	(77,876)	(158,409)	-	(248,504)
Translation difference	736,139	-	18,755	8,705	(3,134)	-	760,465
Balance at 31 March 2021	**17,822,419**	**-**	**29,974,295**	**54,454,350**	**16,708,495**	**-**	**118,959,557**
Balance at 1 January 2020	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,414
Charge for the period	2,820,084	-	4,578,695	10,518,506	4,427,378	-	22,344,663
Impairment Charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(2,783,914)	-	(341,291)	(2,112,805)	(625,731)	-	(5,863,741)
Write-Offs	(264,711)	-	(16,151)	(226,602)	-	-	(507,465)
Translation difference	(726,993)	-	295,627	167,082	145,087	-	(119,197)
Balance at 31 December 2020	16,310,908	-	28,790,954	51,977,342	15,824,039	-	112,903,242

Carrying amounts	**107,787,704**	**32,972,842**	**10,521,463**	**24,805,360**	**10,853,892**	**11,548,479**	**198,489,735**
Right of use assets (see 28(b) below)	**28,093,799**	-	-	-	-	-	**28,093,799**
Balance at 31 March 2021	**135,881,502**	**32,972,842**	**10,521,463**	**24,805,360**	**10,853,892**	**11,548,479**	**226,583,533**
Balance at 31 December 2020	132,386,190	32,972,842	11,267,721	24,503,184	11,378,637	13,970,142	226,478,710

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

Total Depreciation charge (a+b)	**1,500,464**	-	**1,176,805**	**2,546,178**	**1,045,999**	-	**6,269,446**

(a) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting year. Any changes are accounted for prospectively as a change in estimate.

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

The total balance for non current property, plant and equipment for the period is N226.58Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**107,787,704**	**32,972,842**	**10,521,463**	**24,805,360**	**10,853,892**	**11,548,479**	**198,489,738**
	107,787,704	**32,972,842**	**10,521,463**	**24,805,360**	**10,853,892**	**11,548,479**	**198,489,741**

28 (b) Leases
Group

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

i Right-of-use assets	**Land N'000**	**Building and Equipment N'000**	**Total N'000**
Opening balance as at 1 January 2021	-	37,375,750	37,375,750
Additions during the period	-	285,166	285,166
Disposals during the period	-		-
Reversals due to lease modifications	-		-
Translation difference	-	(1,003,005)	(1,003,005)
Closing balance as at 31 March 2021	**-**	**36,657,911**	**36,657,910**
Opening balance as at 1 January 2020	-	17,368,285	17,368,285
Acquired from business combination	-	298,037	298,037
Additions during the period	-	20,977,696	20,977,696
Disposals during the period	-	(536,494)	(536,494)
Reversals due to lease modifications	-	(812,775)	(812,775)
Translation difference	-	81,001	81,001
Closing balance as at 31 December 2020	-	37,375,750	37,375,750
Depreciation			
Opening balance as at 1 January 2021	-	7,839,017	7,839,017

Charge for the period	-	725,093		725,093
Disposals during the period	-	-		-
Reversals due to lease modifications	-	-		-
Translation difference		-		-
Closing balance as at 31 March 2021	**-**	**8,564,110**		**8,564,110**
Net book value as at 31 March 2021	**-**	**28,093,801**		**28,093,799**
	-			
Opening balance as at 1 January 2020	-	3,182,353		3,182,353
Charge for the period	-	5,013,103		5,013,103
Disposals during the period	-	(173,519)		(173,519)
Reversals due to lease modifications	-	(290,336)		(290,336)
Translation difference	-	107,416		107,416
Closing balance as at 31 December 2020	-	7,839,017		7,839,017
Net book value as at 31 December 2020	-	29,536,733	-	29,536,732

ii **Amounts recognised in the statement of profit or loss**

	N'000
Depreciation charge of right-of-use assets	725,093
Interest expense (included in finance cost)	242,270
Expense relating to short-term leases (included in administrative expenses)	215,534
Expense relating to leases of low-value assets (included in administrative expenses)	-
The total cash outflow for leases as at March 2021 was N131 million	130,979,983

28 (c) Property and equipment
Bank

In thousands of Naira	Leasehold improvement and buildings	Land	Computer hardware	Furniture & fittings	Motor vehicles	Capital work-in -progress	Total
Cost							
Balance at 1 January 2021	104,658,484	32,431,843	33,273,534	70,354,715	24,275,769	6,727,957	271,722,302
Acquisitions	2,766,718	-	63,448	1,808,426	524,600	693,086	5,856,277
Disposals	-	-	(196)	(80,549)	(237,541)	-	(318,286)
Reclassification to other assets	-	-	-	-	-	(1,491,184)	(1,491,184)
Write-Offs	-	-	-	-	-	(10,340)	(10,340)
Balance at 31 March 2021	**107,425,202**	**32,431,842**	**33,336,786**	**72,082,593**	**24,562,830**	**5,919,520**	**275,758,769**
Balance at 1 January 2020	107,059,493	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,805
Acquisitions	766,703	-	3,090,823	8,589,782	4,029,803	4,728,258	21,205,368
Disposals	(6,988,740)	(2,660,958)	(307,876)	(2,390,296)	(596,542)	-	(12,944,412)
Reclassification	4,022,131	3,337,921	2,615,233	1,646,969	111,003	(11,733,257)	0
Write-Offs	(201,103)	-	(7,429)	(210,635)	-	(46,292)	(465,460)
Balance at 31 December 2020	104,658,484	32,431,843	33,273,534	70,354,715	24,275,769	6,727,957	271,722,299

Depreciation and impairment losses	**Leasehold improvement and buildings**	**Land**	**Computer hardware**	**Furniture & fittings**	**Motor vehicles**	**Capital work-in - progress**	**Total**
Balance at 1 January 2021	14,978,946	-	23,316,649	46,485,110	14,089,862	-	98,870,568
Charge for the period (a)	539,986	-	972,239	2,390,943	951,991	-	4,855,159
Impairment charge						-	-
Disposal	-	-	(196)	(77,876)	(105,251)	-	(183,322)
Reclassifications to other asset	-						-
Write Off						-	-
Balance at 31 March 2021	**15,518,932**	**-**	**24,288,692**	**48,798,177**	**14,936,602**	**-**	**103,542,404**
Balance at 1 January 2020	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,614
Charge for the period	2,147,377	-	3,790,037	9,717,062	4,099,496	-	19,753,972
Impairment charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(1,119,837)	-	(307,239)	(2,098,804)	(517,539)	-	(4,043,418)
Write-Off	(201,103)	-	(7,429)	(210,635)	-	-	(419,168)
Balance at 31 December 2020	14,978,946	-	23,316,649	46,485,110	14,089,862	-	98,870,568
Carrying amounts	**91,906,270**	**32,431,842**	**9,048,094**	**23,284,415**	**9,626,227**	**5,919,520**	**172,216,369**
Right of use assets (see 28(d) below)	18,756,143	-	-	-	-	-	18,756,143
Balance at 31 March 2021	**91,906,270**	**32,431,842**	**9,048,094**	**23,284,415**	**9,626,227**	**5,919,520**	**190,972,512**
Balance at 31 December 2020	89,679,539	32,431,843	9,956,885	23,869,605	10,185,907	6,727,957	191,893,321

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

Total Depreciation/Impairment charge (a+b)	**1,110,593**	**-**	**972,239**	**2,390,943**	**951,991**	**-**	**5,425,766**

(a) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting year. Any changes are accounted for prospectively as a change in estimate.

The total balance for non current property, plant and equipment for the period is N191.89Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**91,906,270**	**32,431,842**	**9,048,094**	**23,284,415**	**9,626,227**	**5,919,520**	**172,216,367**
	91,906,270	**32,431,842**	**9,048,094**	**23,284,415**	**9,626,227**	**5,919,520**	**172,216,367**

28 (d) Leases
Bank

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

i) Right-of-use assets

	Land N'000	**Building and Equipment N'000**	**Total N'000**
Opening balance as at 1 January 2021	-	22,858,111	22,858,111
Additions during the period	-	285,166	285,166
Disposals during the period	-	-	-
Reversals due to lease modifications	-	-	-
Closing balance as at 31 March 2021	**-**	**23,143,276**	**23,143,276**
Opening balance as at 1 January 2020	-	9,465,519	9,465,519
Acquired from business combination	-	-	-
Additions during the period	-	14,621,105	14,621,105
Disposals during the period	-	(415,739)	(415,740)
Reversals due to lease modifications	-	(812,775)	(812,776)
Closing balance as at 31 December 2020	-	22,858,111	22,858,111
Depreciation			
Opening balance as at 1 January 2021	-	3,816,525	3,816,525
Charge for the period (b)	-	570,607	570,607
Disposals during the period	-	-	-
Reversals due to lease modifications	-	-	-
Closing balance as at 31 March 2021	**-**	**4,387,133**	**4,387,133**
Net book value as at 31 March 2021	**-**	**18,756,143**	**18,756,143**

Opening balance as at 1 January 2020	-	1,436,253	1,436,253
Charge for the period (b)	-	2,801,819	2,801,819
Disposals during the period		(154,637)	(154,637)
Reversals due to lease modifications	-	(266,910)	(266,910)
Closing balance as at 31 December 2020	-	3,816,525	3,816,525
Net book value as at 31 December 2020	-	19,041,585	19,041,585

ii) **Amounts recognised in the statement of profit or loss**

	N'000
Depreciation charge of right-of-use assets (buildings)	570,607
Interest expense (included in finance cost)	242,270
Expense relating to short-term leases (included in administrative expenses)	215,534
Expense relating to leases of low-value assets (included in administrative expenses)	-
The total cash outflow for leases as at March 2021 was N131 million	130,979,983

29 Intangible assets
Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total Intangible
Cost							
March 2021							
Balance at 1 January 2021	11,782,170	1,601,182	41,008,765	28,664,776	12,651,500	4,724,566	100,432,959
Arising from business combination (See note 44)	-	-	266,959	-	-	-	266,959
Acquisitions		581,119	280,683	-	-	-	861,802
Reclassification	-	-	-	-	-	-	-
Write off	-	-	(37,540)	-	-	-	(37,540)
Translation difference	-	183	(61,136)	-	-	-	(60,952)
Balance at 31 March 2021	**11,782,170**	**2,182,484**	**41,457,731**	**28,664,776**	**12,651,500**	**4,724,566**	**101,463,228**
December 2020							
Balance at 1 January 2020	5,235,837	1,218,345	31,147,503	28,664,776	12,651,500	4,724,566	83,642,527
Arising from business combination (See note 44)	6,546,333	-	104,643	-	-	-	6,650,976
Acquisitions	-	1,720,953	8,498,492	-	-	-	10,219,445
Reclassification	-	(1,374,049)	1,374,049	-	-	-	-
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	35,933	111,592	-	-	-	147,525
Balance at 31 December 2020	11,782,170	1,601,182	41,008,765	28,664,776	12,651,500	4,724,566	100,432,960
Amortization and impairment losses							
Balance at 1 January 2021	-	-	23,185,971	5,016,336	2,214,013	826,798	31,243,116
Reclassification (a)	-	-	-	-	-	-	-
Amortization for the period	-	-	1,519,719	716,619	316,288	118,114	2,670,740
Write off	-	-	(20,576)	-	-	-	(20,576)
Translation difference	-	-	(19,189)	-	-	-	(19,189)
Balance at 31 March 2021	-	-	24,665,923	5,732,955	2,530,300	944,912	**33,874,091**
Balance at 1 January 2020	-	-	17,709,774	2,149,858	948,863	354,342	21,162,837
Amortization for the period	-	-	380,721	-	-	-	380,721
Impairment charge	-	-	5,309,111	2,866,478	1,265,150	472,457	9,913,195
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	-	13,880	-	-	-	13,880
Balance at 31 December 2020	-	-	23,185,971	5,016,336	2,214,013	826,799	31,243,118
Net Book Value							
Balance at 31 March 2021	**11,782,170**	**2,182,485**	**16,791,807**	**22,931,821**	**10,121,200**	**3,779,654**	**67,589,137**
Balance at 31 December 2020	11,782,170	1,601,183	17,822,793	23,648,440	10,437,488	3,897,767	69,189,841

a. This relates to the accumulated amortization balance of one of the subsidiaries wrongly mapped in prior year to other assets, not corrected

Intangible assets
Bank

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total
Cost							
March 2021							
Balance at 1 January 2021	11,148,311	1,113,037	36,604,318	28,664,776	12,651,500	4,724,566	94,906,507
Acquisitions	-	502,607	66,603	-	-	-	569,209
Reclassification	-	-	-				-
Balance at 31 March 2021	**11,148,311**	**1,615,644**	**36,670,920**	**28,664,776**	**12,651,500**	**4,724,566**	**95,475,717**
December 2020							
Balance at 1 January 2020	11,148,311	1,201,540	27,324,333	28,664,776	12,651,500	4,724,566	85,715,026
Acquisitions	-	1,285,545	7,905,935	-	-	-	9,191,480
Reclassification	-	(1,374,049)	1,374,049	-	-	-	-
Write off	-	-	-	-	-	-	-
Balance at 31 December 2020	11,148,311	1,113,037	36,604,318	28,664,776	12,651,500	4,724,566	94,906,506
Amortization and impairment losses							
Balance at 1 January 2021	-	-	19,353,280	5,016,336	2,214,013	826,798	27,410,427
Amortization for the period	-	-	1,388,436	716,619	316,288	118,114	2,539,457
Balance at 31 March 2021	**-**	**-**	**20,741,715**	**5,732,955**	**2,530,300**	**944,911**	**29,949,882**
Balance at 1 January 2020	-	-	14,711,295	2,149,858	948,863	354,342	18,164,359
Amortization for the period	-	-	4,641,986	2,866,478	1,265,150	472,457	9,246,070
Write off	-	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-	-
Balance at 31 December 2020	-	-	19,353,280	5,016,336	2,214,013	826,798	27,410,428
Carrying amounts							
Balance at 31 March 2021	**11,148,311**	**1,615,644**	**15,929,204**	**22,931,821**	**10,121,199**	**3,779,655**	**65,525,834**
Balance at 31 December 2020	11,148,311	1,113,037	17,251,036	23,648,440	10,437,487	3,897,768	67,496,078

Amortization method used is straight line.

	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Classified as:				
Current	-	-	-	-
Non current	67,589,137	69,189,841	65,525,834	67,496,078

29(b) Intangible assets

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

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Diamond Bank Plc (see (a) below)	4,554,832	4,554,830	11,148,311	11,148,311
Access Bank Rwanda (see (b) below)	681,007	681,007	-	-
Access Bank Kenya (see (c) below)	6,546,333	6,546,333	-	-
	11,782,172	**11,782,170**	**11,148,311**	**11,148,311**

(a) Diamond bank:
The recoverable amount of Goodwill as at 31 March 2021 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N777bn

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period and no losses on goodwill were recognized as at 31 December 2020 (31 December 2019: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. The CGU's are Corporate & Investment Banking, Commercial Banking, Business Banking and Personal Banking.
Goodwill impairment test was done by comparing the value-in-use for each group of CGUs to the carrying amount of the goodwill based on discounted cash flow projections. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 1.07%. A discount rate of 13.65% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

Compound annual volume growth (i)	2.00%
Long term growth rate (ii)	1.07%
Discount rate (ii)	13.65%

(i) Compound annual volume growth rate in the initial five-year period.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.
(iii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience, actual operating results and the 5-year business plan. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 13.65% was applied in determining the recoverable amounts for Diamond Bank Plc. This discount rate was estimated using the risk-free rate and the country risk premium for Nigeria.

Long-term growth rate
The long term growth rate applied was based on the long term growth rate in GDP of Nigeria.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	(27,057,279)	33,643,882
Impact of change in growth rate on value-in-use computation	2,062,804	(2,049,618)

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

(b) Access Bank Rwanda:
The key assumption used in computing the value-in-use for goodwill in during the period are as follows:

	March 2021
Compound annual volume growth (i)	2.47%
Long term growth rate (ii)	2.47%
Discount rate (iii)	24.8%

(i) Compound annual volume growth rate in the initial four-year period.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget year.
(iii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience, actual operating results and the 4-year business plan. These cashflows are based on the expected revenue growth for the entity over this 4-year period.

Discount Rate
Pre-tax discount rate of 24.80% was applied in determining the recoverable amounts for the only entity with goodwill (Access Bank Rwanda). This discount rate was estimated using the risk-free rate and the country risk premium for Rwanda.

Long-term growth rate
The long term growth rate applied was based on the long term growth rate in GDP of Rwanda

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	2,243,960	2,488,694
Impact of change in growth rate on value-in-use computation	837,343	818,279

(c) Access bank Kenya:

The goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. The Goodwill as at 31 December 2020 has only recently been acquired with acquisition date of 20 July 2020 hence is not due for impairment until after a period of a year hence no impairment assessment has been performed on the acquired goodwill for the year. The deferred consideration amount has been recognized at its present value using a discount rate of 4.24%.

The goodwill N6.5Bn arising from the acquisition of Transnational Bank Kenya (now Access Bank Kenya) is provisional

Discount Rate for Deferred consideration
The deferred consideration considered in the goodwill computation has been carried at its present value using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya.

(d) Access bank Zambia:

The computation of the net asset has been done based on the acquired trial balance of former Cavmont Bank and the structure of the transaction . This transaction has been structured to use the net asset acquired to purchase preference shares in the acquiring body.

The structure of this transaction and the net asset acquired is provisional as at the time of this report

31a Investment properties

	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Balance at 1 January	217,000	927,000	217,000	727,000
Additions for the period	-	-	-	-
Disposals during the period	-	(710,000)	-	(510,000)
Valuation gain/(loss)	-	-	-	-
Balance, end of period	**217,000**	**217,000**	**217,000**	**217,000**

Investment property of N217 million for the Group, represents the value of landed properties which are carried and measured at fair value. There was no rental income from such properties during the period and no restrictions on the realisability of the property.

Valuation technique used for fair valuation of investment properties
Investment properties are stated at fair value, which has been determined based on valuations performed by various Estate Surveyors and Valuers . The valuers are industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount that would be received to sell the properties in an orderly transaction between market participants at the measurement date in the principal market to which the Group has access at the date of valuation, in accordance with standard issued by the International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are reported in valuation gain on investment properties under other operating income (see note 13) . The profits or losses on disposal are also reported in the profit or loss as they occur.

The professional valuers engaged for the preparation of the valuation reports is Paul Osaji and Company (FRC/2013/00000000001098)

All investment properties have been classified as non current with a carrying amount of N217 million for Group and N217 million for Bank

31b Assets classified as held for sale

The Bank obtains properties by taking possession of collaterals held as security against loans. The value of the collaterals repossessed during the period was N300Mn (2020: N300Mn). The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations. This amount has been included in Note 7 as unallocated segment in accordance with IFRS 8.

Assets held for sale

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Balance at 1 January	28,318,466	24,957,518	28,128,467	24,957,518
Acquired from business combination	-	-	-	-
Additions	6,000,000	5,370,949	6,000,000	5,180,949
Disposals	(2,222,165)	(2,010,000)	(2,222,165)	(2,010,000)
	32,096,301	**28,318,467**	**31,906,302**	**28,128,467**

The total balance for non current financial assets held for sale for the period is N32.10Bn for Group and N31.91Bn for Bank

Classified as:				
Current	-	-	-	-
Non current	32,096,301	28,318,467	31,906,302	28,128,467

The professional valuers engaged for the preparation of the valuation reports are: Ubosi Eleh and Company (FRC/2014/00000003997), Odudu and Company (FRC/2012/NIESV/00000000198), Paul Osaji and Company (FRC/2013/00000000001098), Banjo Adeleke and Company (FRC/2013/NIESV/00000003314); and Osas and Oseji (FRC/2012/000000000522)

32 Deposits from financial institutions

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Money market deposits	597,390,399	501,831,841	397,771,787	271,700,559
Trade related obligations to foreign banks	559,717,701	456,565,330	603,096,600	559,931,775
	1,157,108,100	**958,397,171**	**1,000,868,387**	**831,632,332**
Current	1,176,838,353	885,853,455	1,020,598,639	759,088,617
Non-current	87,853,716	72,543,716	87,853,716	72,543,716
	1,264,692,069	**958,397,171**	**1,108,452,355**	**831,632,332**

33 Deposits from customers

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Term deposits	2,079,944,196	1,975,382,019	1,669,107,334	1,586,352,295
Demand deposits	2,245,213,129	2,301,974,130	1,883,384,826	1,991,980,453
Saving deposits	1,359,434,098	1,310,062,064	1,303,935,577	1,254,411,747
	5,684,591,424	**5,587,418,212**	**4,856,427,737**	**4,832,744,495**
Current	5,236,663,421	5,133,490,210	4,797,529,461	4,767,846,219
Non-current	448,928,002	453,928,002	59,898,276	64,898,276
	5,685,591,424	**5,587,418,212**	**4,857,427,737**	**4,832,744,495**

36 Interest bearing borrowings

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
African Development Bank (see note (a))	15,364,130	17,755,228	15,364,130	17,755,228
Netherlands Development Finance Company (see note (b))	140,609,355	142,907,542	127,532,428	129,820,587
French Development Finance Company (see note (c))	1,810,124	1,767,670	-	-
European Investment Bank (see note (d))	38,715,434	37,430,800	37,326,154	36,379,295
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	4,359,101	4,198,814	4,359,101	4,198,814
International Finance Corporation (see note (f))	56,731,562	55,381,711	56,731,562	55,381,711
French Development Agency (see note (g))	12,381,369	12,048,263	12,381,369	12,048,263
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (h))	8,831,808	8,664,680	8,831,808	8,664,680
Bank of Industry-Intervention Fund for SMEs (see note (i))	2,250,000	2,258,000	2,250,000	2,258,000
Bank of Industry-Power & Airline Intervention Fund (see note (j))	3,213,740	3,387,775	3,213,740	3,387,775
Special Refinancing & Restructuring Intervention fund (SRRIF) (see note (k))	3,079,130	3,365,050	3,079,130	3,365,050
Central Bank of Nigeria - Salary Bailout facilities (see note (l))	59,969,016	60,370,979	59,969,016	60,370,979
Central Bank of Nigeria - Excess Crude Account (see note (m))	108,974,436	109,185,236	108,974,436	109,185,236
Real Sector And Support Facility (RSSF) (see note (n))	15,952,391	16,508,760	15,952,391	16,508,760
Development Bank of Nigeria (DBN) (see note (o))	72,990,073	75,022,451	72,990,073	75,022,451
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (p))	118,054,182	105,690,820	118,054,182	105,690,820
Nigeria Mortgage Refinance Company (NMRC) (see note (q))	5,693,810	5,736,228	5,693,810	5,736,228
Africa Export and Import Bank (AFREXIM) (see note (r))	53,596,491	59,916,173	53,596,491	59,916,173
Diamond finance B V (Anambra State Government) (see note (s))	-	20,431,367	-	20,431,367
BOI Power and steel (PAIF) (see note (t))	11,286,069	11,762,893	11,286,069	11,762,893
Creative Industry Financing Initiative Fund (CIFI) (see note (u))	1,682,219	1,636,867	1,682,219	1,636,865
Accelerated Agricultural Development Scheme (AADS) (see note (v))	2,943,552	2,938,301	2,943,552	2,938,301
Non-Oil Export Stimulation Facility (NESF) (see note (w))	4,027,018	4,020,064	4,027,018	4,020,064
Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (x))	7,594,119	7,584,176	7,594,119	7,584,176
Lagos State Employment Trust Fund (LESTF) W Initiative (see note (y))	1,000,000	1,000,000	1,000,000	1,000,000
ECOWAS Bank for Investment and Development (EBID) (see note (z))	6,875,143	5,203,595	-	-
Other loans and borrowings	23,723,996	15,281,794	190,360	190,557
	781,708,265	**791,455,236**	**735,023,156**	**755,254,271**

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

(a) The amount of N15,364,129,713 (USD 37,691,362) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in two tranches. The first tranche of USD35 million has matured and was fully paid out in August 2016. The second tranche was disbursed in August 2014 (USD 90m) for a period of 10years, while the third tranche came in June 2016 for (USD 10m) for a period of 9 years. The principal amount is repayable semi-annually starting from February 2017 for both tranches. Interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(b) The amount of N140,609,354,852 (USD 344,943,588) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Development Finance Company effective from March 2018 (USD 100m), Feb 2019 (USD 162.5m) ans 2020 (USD 93.8m)for a period of 5 years, 10 years and 10 years respectively. The principal amount is repayable semi-annually from July 2019, quarterly from May 2019 and January 2026 respectively while interest is paid semi annually at 5.5% above 6 months LIBOR, quarterly at 7.83% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and quarterly at 9.61%. It also includes the facility granted to Ghana in July 2018 for a period of 7 years at 6.88% with interest and principal (starting June 2023) payable semi-annually. Two facilities were also granted to Congo in Dec 2019 for a period of 5 and 3 years respectively with the principal amount repayale semi-annually from Jan 2022 and Jan 2021 respectively while interest is paid semi annually at 4.2% above LIBOR and 4% above LIBOR respectively. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(c) The amount of N1,810,124,442 (USD 4,440,607) represents the outstanding balance in the on-lending facility granted to Ghana by the French Development Finance Company effective from 30 December 2014 for 7 years to support lending to the private sector at 5.98% with principal and interest repayable semi annualy. There is no outstanding balance in the onlending facility granted to the Bank effective from 15 December 2012 and disbursed in four tranches; February 2013 (USD 6m), October 2013 (USD 15m), October 2013 (USD 9m) and November 2014 (USD 30m) for a year of 6.5 years for the first three tranches and 5 years for the fourth tranche. The principal amount is repayable semi-annually from December 2014 with the fourth tranche repayable from January 2016 while interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(d) The amount of N38,715,433,615 (USD 94,976,900) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013 (USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m), March 2016 (USD 27.1m) and July 2020 (USD 68.7m) for a period of 6 years each for the first three, a period of 8 years each for the next two and a period of 5 years for the last one. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6%, 2.6% respectively above 6 months LIBOR and 3.04% for the last one. It also includes the facility granted to Ghana in Oct 2016 for a period of 7 years. Principal and interest are paid semi-annually at 4.57%. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(e) The amount of N4,359,101,251 (USD 10,693,769) represents the outstanding balance on the on-lending facility of USD 15mn granted to the Bank by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) in December 2017 (USD 15m) for a period of 7 and a half years. The principal amount will be repayable semi-annually from May 2019 while interest is paid semi annually at 7.69% above 6months LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(f) The amount of N56,731,562,141 (USD 139,174,158) represents the outstanding balance on the on-lending facility of USD 87.5mn and USD 50mm granted to the Bank by International Finance Corporation for a period of 10 years and 1 year respectively. The principal amount will be repayable quarterly from September 2019 and October 2020 respectively, while interest is paid semi annually at 7.69% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and 4.25% above 6 months LIBOR for a year From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(g) The amount of N12,381,369,498 (USD 30,374,039) represents the outstanding balance on the on-lending facility of USD 30mn granted to the Bank by French Development Agency for a period of 8 years. The principal amount will be repayable semi annually from November 2020 while interest is paid quarterly at 3.57%. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(h) The amount of N8,831,807,514 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum year of 7 years at a zero percent interest rate to the Bank The Bank did not provide security for this facility. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(i) The amount of N2,250,000,000 represents an outstanding balance on the intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility has a tenor of 10 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(j) The amount of N3,213,740,168 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 13.5 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(k) The amount of N3,079,129,988 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(l) The amount of N59,969,015,556 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(m) The amount of N108,974,435,729 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(n) The amount of N15,952,390,847 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) established by CBN. The facility tenor is for a range of 7 to 10 years inclusive of 24 months moratorium at a 3% interest rate to the Bank. An additional facility of NGN2bn was disbursed under the scheme for a period of 7 years inclusive of 1 year moratorium at a 3% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(o) The amount of N72,990,073,301 represents the outstanding balance on four on-lending facilities granted to the Bank by the Development Bank of Nigeria in two series in respect of the Micro, Small and Medium Scale Enterprises (MSMEs) and Small Corporates. The facilities are for a maximum of 3 years at a 9.6% interest rate to the Bank. A third series of about 1.68bn was disbursed for a period of 10 years. The fourth facility of about 70bn was disbursed for a period of 10 years at an interest rate of 10%. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(p) The amount of N118,054,181,538 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) established by CBN supporting Reddington Multi-specialist Hospital, Dana Motors, Lafarge Africa PLC. The facility is for a maximum period of 7 years inclusive of 12 months moratorium for Reddington and Dana and a 24 months moratorium for Lafarge at a 0% interest rate to the Bank. Additional amounts were disbursed between July 2019 and November 2019 in favor of 5 other beneficiaries amounting to 34.58bn for a period of 7 years with 2 years moratorium at 2% interest rate on a quarterly basis for the first 4 counterparties and 10 years with no moratorium at 1% interest rate on a quarterly basis for the last counterparty. There were additional facilities disbursed in 2020 in favor of 16 other beneficiaries amounting to about N59bn for a period of 4 to 10 years inclusive of 6 months to 2 years moratorium at 2% interest rate on a quarterly basis. An additional sum of N12bn was disbursed to benefeciaries in 2021. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(q) The amount of N5,693,809,609 represents the outstanding balance on the on-lending facility granted to the Bank by Nigeria Mortgage Refinance Company. The facility is for a maximum period of 15 years commencing from the date of execution of this agreement at a 14.5% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(r) The amount of N53,596,490,578 (USD 131,483,185) represents the outstanding balance on the on-lending facility of USD 25mn granted to the Bank by Africa Export and Import Bank (AFREXIM) in May 2018 for a period of 3 years. The principal amount will be repayable semi-annually from November 2018 while interest is paid quaterly at 7% above 3 months LIBOR. In December 2019, AFREXIM disbursed a USD200mn for a period of 3 years to be paid quarterly with a 6 months moratorium with Interest also paid quarterly at 3.64% and LIBOR. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(s) This on-lending facility was issued through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, with a maturity date of 27 March 2021. The principal amount is payable at the end of the tenor while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the Loan Participatory Notes, was used by the Issuer (Diamond Finance BV) for the sole purpose of providing a loan to Diamond Bank, which was in turn used by the Bank to support its business expansion and development. Diamond Bank (now Access Bank Plc), unconditionally and irrevocably guaranteed the due payment of all sums by the Issuer (Diamond Finance BV) in respect of the Notes. The Group has not had any defaults of principal or interest with respect to its subordinated liabilities during the period ended 31 March 2021. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(t) The amount of N11,286,068,577 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7%. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2021

(u) The amount of N1,682,218,797 represents the outstanding balance on the on-lending facility granted to the Bank by the Central Bank of Nigeria under the Creative Industry Financing Initiative established by the CBN. The initiative is on a request by request basis. The tenor of the facilities granted ranges from 3 to 10 years inclusive of a maximum of 24 months moratorium. There are currently 14 beneficiaries under the initiative. The Bank is under obligation to on-lend to customers at an all-in interest rate of 9% with 2% remitted to CBN. The Bank remains the primary obligor to CBN and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(v) The amount of N2,943,551,930 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Accelerated Agricultural Development Scheme (AADS) on behalf of Bayelsa State Government. The facility is for a period of 3 years inclusive of 24 months moratorium at a 4% interest rate repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(w) The amount of N4,027,017,885 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Non-Oil Export Stimulation Facility (NESF) supporting Leaf Tobacco and Commodities Nigeria Limited in acquiring additional machinery for expansion of their facilities. The facility is for a period of 6 years inclusive of 12 months moratorium at a 1% interest rate repayable on a quarterly basis which will increase to 2% effective March 1, 2021. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(x) The amount of N7,594,119,088 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria through the Health Sector Intervention Facility (HSIF) window of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) supporting 8 beneficiaries (N7.6bn). The tenor of the facility ranges from 4 to 10 years inclusive of maximum moratorium of 12 months. The interest is set at 1% repayable on a quarterly basis which will increase to 2% effective March 2021. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(y) The amount of N1,000,000,000 represents the outstanding balance on the on-lending facility granted to the Bank by Lagos State Employment Trust Fund (LESTF) The tenor of the facility is 2 years. The interest is set at 5% repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

(z) The amount of N6,875,143,040 (USD 16,866,136) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by ECOWAS Bank for Investment and Development (EBID) which attracts an interest rate of 2.75% for 60 days with four different facilities disbursed between October and December (2 Oct 2020, 3 Nov 2020, 5 Dec 2020 and 6 Dec 2020) all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 31 March 2021.

In thousands of Naira	**Group March 2021**	**Bank March 2021**
Balance as at 1 January 2021	791,455,238	755,254,273
Proceeds from interest bearing borrowings	23,034,192	12,560,000
Repayment of interest bearing borrowings	(18,622,445)	(18,221,475)
Total changes from financing cash flows	795,866,984	749,592,799
The effect of changes in foreign exchange rates	(10,321,055)	(10,682,846)
Other changes		
Interest expense	9,762,550	9,507,008
Interest paid	(13,600,213)	(13,393,804)
Balance as at 31 March 2021	**781,708,266**	**735,023,156**

	Group December 2020	**Bank December 2020**
Balance as at 1 January 2020	586,602,830	544,064,226
Proceeds from interest bearing borrowings	256,015,899	253,841,702
Repayment of interest bearing borrowings	(75,582,339)	(66,636,469)
Total changes from financing cash flows	767,036,390	731,269,459
The effect of changes in foreign exchange rates	19,565,682	19,565,680
Other changes		
Interest expense	25,760,799	24,562,225
Interest paid	(20,907,634)	(20,143,091)
Balance as at 31 December 2020	**791,455,238**	**755,254,273**

37 Retirement benefit obligation

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Recognised liability for defined benefit obligations (see note (a) below)	4,772,559	4,584,149	4,772,559	4,584,149
Liability for defined contribution obligations	20,099	357,118	-	-
	4,792,659	**4,941,268**	**4,772,559**	**4,584,149**

(a) **Defined benefit obligations**

The amounts recognised in the statement of financial position are as follows:

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Post employment benefit plan (see note (i) below)	4,772,559	4,584,149	4,772,559	4,584,149
Recognised liability	**4,772,559**	**4,584,149**	**4,772,559**	**4,584,149**

(i) **Post employment benefit plan**

The Bank operates a non-contributory, unfunded lump sum defined benefit post employment benefit plan for top executive management of the Bank from General Manager and above based on the number of 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 period profit as such obligations fall due. Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade.

The amount recognised in the statement of financial position is as follows:

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Defined benefit obligations at 1 January	4,584,149	3,418,060	4,584,149	3,418,060
Charge for the period:				
-Interest costs	101,565	335,624	101,565	335,624
-Current service cost	86,846	446,688	86,846	446,688
-Benefits paid	-	-	-	-
Net actuarial gain/(loss) for the period remeasured in OCI:	-	-		-
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	-	(225,495)	-	(225,495)
Remeasurements - Actuarial gains and losses arising from changes in salary increases	-	(457,067)	-	(457,067)
Remeasurements - Actuarial gains and losses arising from changes in promotions	-	67,849	-	67,849
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	-	998,490	-	998,490
Balance, end of period	**4,772,559**	**4,584,149**	**4,772,559**	**4,584,149**
Expense recognised in income statement:				
Current service cost	86,846	446,688	86,846	446,688
Interest on obligation	101,565	335,624	101,565	335,624
Total expense recognised in profit and loss (see Note 14)	**188,410**	**782,312**	**188,410**	**782,312**

All retired benefit obligations have been classified as non current with a closing amount of N4.77 billion for both Group and Bank

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.

March 2021

In thousands of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.6%	5,029,599	(281,658)
Effect of changes in assumption to the salary growth	Decrease in liability by 4.9%	4,547,459	222,826
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	4,771,684	917

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.2%	4,534,459	235,792
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	5,012,737	(260,662)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	4,773,513	(917)

December 2020

In thousands of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.3%	3,610,727	(192,667)
Effect of changes in assumption to the salary growth	Decrease in liability by 5.4%	3,243,830	174,230
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.1%	3,413,659	4,401

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 5.5%	3,239,613	178,447
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	3,604,553	(186,493)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	3,422,855	(4,795)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Actuarial assumptions:
Principal actuarial assumptions at the reporting date (expressed as weighted averages):
The most recent valuation was performed by Alexander Forbes as at 31 December 2020.

	March 2021	December 2020
Discount rate	7.10%	11.90%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	11.70%	3.40%
Withdrawal rate: 18 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 59 (average rate)	1.50%	3.75%

Assumptions regarding future mortality before retirement are based on A49/52 ultimate table published by the Institute of Actuaries of United Kingdom. The rate used to discount post employment benefit obligations has been determined by reference to the yield on Nigerian Government bonds of medium duration. This converts into an effective yield of 7.1% as at 31 December 2020. For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

38 Capital and reserves

A Share capital

In thousands of Naira	Bank March 2021	Bank December 2020
(a) Authorised:		
Ordinary shares:		
38,000,000,000 Ordinary shares of 50k each	19,000,000	19,000,000
Preference shares:		
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
	20,000,000	20,000,000

In thousands of Naira	Bank March 2021	Bank December 2020
(b) Issued and fully paid-up :		
35,545,225,662 Ordinary shares of 50k each	17,772,613	17,772,613

Ordinary shareholding:
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Bank. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Bank.

Preference shareholding:
Preference shares do not carry the right to vote. Preference shareholders have priority over ordinary shareholders with regard to the residual assets of the Bank and participate only to the extent of the face value of the shares plus any accrued dividends. No preference shares were in issue as at the end of the period

The movement on the issued and fully paid-up share capital account during the period was as follows:

In thousands of Naira	Bank March 2021
Balance, beginning of the period	17,772,613
Balance, end of the period	17,772,613

In thousands of Naira	Bank December 2020
Balance, beginning of the period	17,772,613
Balance, end of the period	17,772,613

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

In thousands of units	Group March 2021	Group December 2020
Balance, beginning of the period	35,545,226	35,545,226
Balance, end of the period	35,545,226	35,545,226

B Share premium

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

In thousands of Naira	Group March 2021
Balance, beginning of the period	234,038,850
Balance, end of the period	234,038,850

In thousands of Naira	Group December 2020
Balance, beginning of the period	234,038,850
Balance, end of the period	234,038,850

C Retained earnings

	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Retained earnings	331,305,645	252,396,880	271,027,102	206,896,037

D Other components of equity

	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Other regulatory reserves (see i(a) below)	120,731,490	115,575,107	100,696,079	95,067,599
Share Scheme reserve	1,244,681	876,762	1,188,154	876,761
Treasury Shares	(5,211,450)	(5,111,646)	-	-
Capital Reserve	3,489,080	3,489,080	3,489,081	3,489,081
Fair value reserve	50,355,950	60,106,564	49,228,461	59,574,139
Foreign currency translation reserve	17,873,616	18,132,330	-	-
Regulatory risk reserve	14,271,068	46,425,978	3,944,247	36,180,585
	202,754,434	**239,494,174**	**158,546,022**	**195,188,165**

(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 March 2021	Statutory reserves December 2020	SMEEIS Reserves March 2021	SMEEIS Reserves December 2020	Total March 2021	Total December 2020
Group						
In thousand of Naira						
Opening	82,063,378	82,063,378	826,568	826,568	82,889,946	82,889,946
Transfers during the perio	5,156,383	22,252,453	-	-	5,156,383	22,252,453
Closing	87,219,761	104,315,831	826,568	826,568	88,046,329	105,142,399
Bank						
In thousand of Naira						
Opening	71,199,773	71,199,773	826,568	826,568	72,026,341	72,026,341
Transfers during the perio	5,628,482	12,005,900	-	-	5,628,482	12,005,900
Closing	76,828,255	83,205,673	826,568	826,568	77,654,823	84,032,241

(ii) Share scheme reserve

This represents the total expenses incurred in providing the Bank's shares to its qualifying staff members under the RSPP scheme.

(iii) Treasury shares

This represents the shares held by the new RSPP scheme which have not yet been allocated to staff based on the pre-determined vesting conditions.

(iv) Capital reserve

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

6,978,160,860 ordinary shares of 50 kobo each by the creation of 1 ordinary shares previously held.

(v) Fair value reserve

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

(vi) Foreign currency translation reserve

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

(vii) Regulatory risk reserve

The regulatory risk reserves warehouses the difference between the allowance for impairment losses on balance on loans and advances based on Central Bank of Nigeria prudential guidelines and Central Bank of the foreign subsidiaries regulations, compared with the loss incurred model used in calculating the impairment under IFRS.

(viii) Retained earnings

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

D Non-controlling interest

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

In thousands of Naira	Group March 2021	Group December 2020
Access Bank, Gambia	786,478	775,786
Access Bank, Sierra Leone	39,168	42,577
Access Bank Zambia	485,819	683,782
Access Bank, Rwanda	807,174	838,327
Access Bank, Congo	4,212	3,617
Access Bank, Ghana	5,077,299	4,991,465
Access Bank, Mozambique	1,872	1,744
Access Bank, Kenya	1,086	1,428
	7,203,108	**7,338,726**

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

In thousands of Naira	Group March 2021	Group March 2020
Access Bank, Gambia	11,460	7,125
Access Bank, Sierra Leone	1,843	2,801
Access Bank Zambia	66,401	48,217
Access Bank, Rwanda	31,362	41,931
Access Bank, Congo	202	20
Access Bank, Ghana	525,913	419,542
Access Bank, Mozambique	(111)	-
Access Bank, Kenya	59	-
	637,128	**519,636**

	Group March 2021	Group December 2020
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12.00%
Access Bank, Sierra Leone	1%	0.81%
Access Bank Zambia	30%	30.00%
Access Bank, Rwanda	9%	8.78%
Access Bank Congo	0%	0.02%
Access Bank, Ghana	7%	6.60%
Access Bank, Mozambique	0.02%	0.02%
Access Bank, Kenya	0.02%	0.02%

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. N2.02Bn provision has been made as at 31 March 2021.

Contingent liability and commitments

In common with other banks, Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

Nature of instruments

An acceptance is undertaken by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Group in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related custom and performance bonds and are generally short term commitments to third parties which are not directly dependent on the customer's credit worthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed year, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The table below summarises the fair value amount of contingent liabilities and commitments off-financial position risk:
Acceptances, bonds, guarantees and other obligations for the account of customers:

a. These comprise:

In thousands of Naira	**Group March 2021**	**Group December 2020**	**Bank March 2021**	**Bank December 2020**
Contingent liabilities:				
Transaction related bonds and guarantees	464,928,712	378,808,847	433,047,040	335,064,193
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other	474,161,304	445,538,945	463,214,615	341,751,564
	939,090,016	**824,347,792**	**896,261,654**	**676,815,757**

40 Cash and cash equivalents

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

In thousands of Naira	Group March 2021	Group December 2020	Bank March 2021	Bank December 2020
Cash on hand and balances with banks	879,463,624	502,781,098	765,238,113	456,588,630
Unrestricted balances with central banks	53,591,328	51,127,104	14,983,623	13,639,189
Money market placements	63,723,914	89,783,184	27,539,819	40,095,276
Investment under management	23,785,009	23,785,009	23,785,009	23,785,009
Treasury bills with original maturity of less than 90days	91,577,707	170,370,193	91,577,707	170,370,193
	1,112,141,582	**837,846,588**	**923,124,270**	**704,478,296**

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 March 2021	Bank March 2021	Group March 2021	Bank March 2021
Net debt	169,160,059	169,160,059	791,455,238	755,254,273
Proceeds from interest bearing borrowings	-	-	23,034,192	12,560,000
Repayment of interest bearing borrowings	-	-	(18,622,445)	(18,221,475)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	169,160,059	169,160,059	795,866,984	749,592,798
The effect of changes in foreign exchange rates	2,255,331	2,255,331	(10,321,055)	(10,682,846)
Other changes				
Interest expense	5,112,653	5,112,653	9,762,550	9,507,008
Interest paid	(3,490,651)	(3,490,651)	(13,600,213)	(13,393,804)
Balance	**173,037,391**	**173,037,391**	**781,708,266**	**735,023,156**

	Debt securities issued		Interest bearing borrowings	
	Group December 2020	Bank December 2020	Group December 2020	Bank December 2020
Net debt	157,987,877	157,987,877	586,602,830	544,064,226
Proceeds from interest bearing borrowings	-	-	256,015,899	253,841,702
Repayment of interest bearing borrowings	-	-	(75,582,339)	(66,636,469)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	157,987,878	157,987,877	767,036,390	731,269,458
The effect of changes in foreign exchange rates	11,102,708	11,102,708	19,565,682	19,565,680
Other changes				
Interest expense	19,305,691	19,305,691	25,760,799	24,562,225
Interest paid	(19,236,218)	(19,236,218)	(20,907,634)	(20,143,091)
Balance	**169,160,059**	**169,160,059**	**791,455,238**	**755,254,273**

41 Business Combination

(a) Business Combination with Cavmont Bank

The Bank recently acquired Cavmont Bank in Zambia with effect from 4th January 2021. The acquisition involved the Bank acquiring the 100% issued share capital of Cavmont Bank. The computation is provisional at the time of this report

(b)

In thousands of Naira	Bank January 2021
Considerations:	
Cash payment	-
Consideration deferred	-
Total Consideration	-
Net assets/ (liabilities) acquired from business combination (see note 44 (d) below)	0
Fair value adjustment	-
Bargain Purchase	**(0)**

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

	Bank January 2021
Assets	
Cash and balances with banks	9,581,672
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-
Loans to banks	-
Loans and advances to customers	12,962,540
Investment securities	10,457,167
Investment properties	-
Other assets	1,845,534
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	793,103
Intangible assets	-
Deferred tax assets	-
	35,640,017
Asset classified as held for sale and discontinued operations	-
Total assets	**35,640,017**
Liabilities	
Deposits from financial institutions	10,302,363
Deposits from customers	22,813,433
Derivative Liabilities	-
Current tax liabilities	-
Other liabilities	2,524,221
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	35,640,017
Liabilities classified as held for sale and discontinued operatic	-
Total liabilities	**35,640,017**
Net assets/ (liabilities)	**0**
Non controlling interest	-
Owners of the Bank equity	**0**

45 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.

b. Full compliance with the relevant CBN policies on insider-related lending.
c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.
d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.

e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.

f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a year of more than 12months."

The Bank's principal exposure to all its directors as at 31 March 2021 is N2.34Bn. However, the relevant obligors under this category also have credit balances and deposits maintained in their bank accounts which mitigate the risks to the bank.

Below is a schedule showing the details of the Bank's director-related lending:

S/N	Name of borrower	Relationship to reporting institution	Name of related Directors	Facility type	Outstanding Principal	Status	Nature of security
1	Asset Management Group Limited	Ex-Chairman	Mr. Gbenga Oyebode	Time loan	1,870,107,501	Performing	Pledged properties at Ikoyi Lagos
						Performing	Personal guarantee
						Performing	Domiciliation of Rental Income
2	Sic Property and Investment Company	Ex Non-executive director	Mr Ortisedere Otubu	Term Loan	119,983,765	Performing	Legal Mortgage
						Performing	Personal guarantee
						Performing	Debenture
3	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	319,815,640	Performing	Cash collateral
				Credit Card	15,957,259	Performing	Cash collateral
4	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Term Loan	12,500,000	Performing	Cash collateral
				Overdraft	1,371,989	Performing	Cash collateral
				Credit Card	2,790,068	Performing	Cash collateral
	Balance, end of period				**2,342,526,222**		

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Value Added Statement

In thousands of Naira

	Group March 2021	%	Group March 2020	%
Gross earnings	222,141,100		209,794,795	
Interest expense				
Foreign	(12,492,698)		(15,772,910)	
Local	(22,470,682)		(32,785,025)	
	187,177,720		161,236,860	
Net impairment (loss) on financial assets	(11,806,256)		(8,021,966)	
Net impairment loss on other financial assets	(728,910)		(560,207)	
Bought-in-materials and services				
Foreign	(1,481,494)		(1,479,786)	
Local	(69,232,917)		(67,015,919)	
Value added	**103,928,141**		**84,158,982**	
Distribution of Value Added				
To Employees:				
Employees costs	20,062,318	19%	19,632,502	23%
To government				
Government as taxes	7,503,069	7%	5,364,176	6%
To providers of finance				
Interest on borrowings	14,875,202	14%	11,098,574	13%
Dividend to shareholders	-	0%	-	0%
Retained in business:				
For replacement of property and equipment and intangible assets	8,940,185	9%	7,135,010	8%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	52,547,367	51%	40,928,719	49%
	103,928,141	**100%**	**84,158,982**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira	Bank March 2021	%	Bank March 2020	%
Gross earnings	184,861,523		181,307,182	
Interest expense				
Foreign	(12,605,068)		(15,963,272)	
Local	(15,421,477)		(26,898,993)	
	156,834,978		138,444,918	
Net impairment (loss) on financial assets	(11,136,596)		(7,740,449)	
Net impairment loss on other financial assets	(787,320)		(526,211)	
Bought-in-materials and services				
Foreign	(6,340,427)		(1,479,786)	
Local	(58,422,629)		(62,630,808)	
Value added	**80,148,005**		**66,067,664**	
Distribution of Value Added				
To Employees:				
Employees costs	14,432,992	18%	15,466,174	23%
To government				
Government as taxes	5,606,917	7%	3,895,100	6%
To providers of finance				
Interest on borrowings	14,619,661	18%	10,799,975	16%
Dividend to shareholders	-	0%	-	0%
Retained in business:				
For replacement of property and equipment	7,965,223	10%	6,116,096	9%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	37,523,212	47%	29,790,319	45%
	80,148,005	**100%**	**66,067,664**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

	March 2021	December 2020	Restated December 2019	December 2018	Restated December 2017
Group					
	3 months	**12 months**	**12 months**	**12 months**	**12 months**
In thousands of Naira	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets					
Cash and balances with banks	1,121,289,199	723,872,820	723,064,003	740,926,362	547,134,325
Investment under management	30,495,266	30,451,466	28,291,959	23,839,394	20,257,131
Non pledged trading assets	131,875,504	207,951,943	129,819,239	38,817,147	46,854,061
Pledged assets	224,696,993	228,545,536	605,555,891	554,052,956	447,114,404
Derivative financial instruments	140,454,269	251,112,744	143,520,553	128,440,342	93,419,293
Loans and advances to banks	389,013,222	392,821,307	152,825,081	142,489,543	68,114,076
Loans and advances to customers	3,256,216,275	3,218,107,026	2,911,579,708	1,993,606,233	1,995,987,627
Investment securities	1,778,393,237	1,749,549,149	1,084,604,185	501,072,480	278,167,758
Investment properties	217,000	217,000	927,000	-	-
Other assets	1,647,256,896	1,548,891,262	1,055,510,452	704,326,780	489,563,282
Property and equipment	226,583,533	226,478,711	211,214,238	103,668,719	97,114,642
Intangible assets	67,589,137	69,189,841	62,479,691	9,752,498	8,295,855
Deferred tax assets	8,027,071	4,240,448	8,807,563	922,660	740,402
Assets classified as held for sale	32,096,301	28,318,467	24,957,519	12,241,824	9,479,967
Total assets	9,054,203,904	8,679,747,720	7,143,157,080	4,954,156,938	4,102,242,823
Liabilities					
Deposits from financial institutions	1,157,108,100	958,397,171	1,186,356,312	994,572,845	450,196,970
Deposits from customers	5,684,591,424	5,587,418,213	4,255,837,303	2,564,908,384	2,244,879,075
Derivative financial instruments	4,208,589	20,880,529	6,885,680	5,206,001	5,332,177
Current tax liabilities	5,978,391	2,159,921	3,531,410	4,057,862	7,489,586
Other liabilities	430,298,331	379,416,799	324,333,874	246,438,951	258,166,549
Deferred tax liabilities	19,406,105	14,877,283	11,272,928	6,456,840	8,764,262
Debt securities issued	173,037,390	169,160,059	157,987,877	251,251,383	302,106,706
Interest-bearing borrowings	781,708,265	791,455,237	586,602,830	388,416,734	311,617,187
Retirement benefit obligations	4,792,659	4,941,268	3,609,037	2,336,183	2,495,274
Total liabilities	8,261,129,254	7,928,706,481	6,536,417,251	4,463,645,183	3,591,047,788
Equity					
Share capital and share premium	251,811,463	251,811,463	251,811,463	212,438,802	212,438,802
Retained earnings	331,305,645	252,396,877	221,665,751	155,592,892	113,449,307
Other components of equity	202,754,435	239,494,175	124,733,788	114,609,701	178,399,413
Non controlling interest	7,203,108	7,338,726	8,528,833	7,870,360	6,907,515
Total equity	793,074,652	751,041,243	606,739,836	490,511,755	511,195,037
Total liabilities and Equity	9,054,203,906	8,679,747,720	7,143,157,081	4,954,156,938	4,102,242,823
Gross earnings	222,141,100	764,717,442	666,753,601	528,744,579	459,075,779
Profit before income tax	60,050,435	125,922,127	111,925,519	103,187,703	78,169,119
Profit from continuing operations	52,547,367	106,009,693	94,056,599	94,981,086	60,087,491
Profit for the period	52,547,367	106,009,693	94,056,599	94,981,086	60,087,491
Non controlling interest	637,129	1,326,710	1,007,735	962,845	13,090
Profit attributable to equity holders	51,910,238	104,682,983	93,048,864	94,018,240	60,074,401
Dividend paid	-	23,104,397	17,772,613	18,803,180	18,803,180
Earning per share - Basic	149k	300k	279k	330k	218k
- Adjusted	146k	294k	274k	325k	214k
Number of ordinary shares of 50k	35,545,225,623	35,545,225,623	35,545,225,623	28,927,971,631	28,927,971,631