Consolidated Interim and Separate Financial Statements for the period ended 30 September 2021

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

Dr. (Mrs.) Ajoritsedere Josephine Awosika, MFR, mni	Chairman/Non-Executive Director
Mr. Herbert Onyewumbu Wigwe, FCA	Group Managing Director/Chief Executive Officer
Mr. Roosevelt Michael Ogbonna,FCA,CFA	Group Deputy Managing Director
Mrs. Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Mr. Paul Usoro, SAN	Non-Executive Director
Dr. Okey Vitalis Nwuke,FCA	Non-Executive Director
Mrs. Omosalewa Temidayo Fajobi	Non-Executive Director
Mr. Adeniyi Adedokun Adekoya	Independent Non-Executive Director
Mr. Iboroma Tamunoemi Akpana	Independent Non-Executive Director
Mrs. Ifeyinwa Yvonne Osime	Independent Non-Executive Director
Mr. Hassan Tanimu Musa Usman,FCA	Independent Non-Executive Director
Mr. Victor Okenyenbunor Etuokwu, HCIB	Executive Director
Dr. Gregory Ovie Jobome, HCIB	Executive Director
Ms. Hadiza Ambursa	Executive Director
Mr. Adeolu Bajomo	Executive Director
Mrs. Chizoma Joy Okoli, HCIB	Executive Director
Mr. 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
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Email: info@accessbankplc.com
Website: www.accessbankplc.com
Company Registration Number: RC125 384
FRC Number: FRC/2012/0000000000271

Independent Auditors
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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
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Telephone: +234 (01) 6314500
FRC Number: FRC/2012/ICAN00000000187

Actuaries
Alexander Forbes Consulting Actuaries Nig. Ltd
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Telephone: (01) 271 1081
FRC Number: FRC/2012/ICAN/0000000000504

Registrars
Coronation Registrars Limited
9, Amodu Ojikutu Street, Off Saka Tinubu
Victoria Island, Lagos
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Investor Relations

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

For further information please contact:

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

In thousands of Naira	*Notes*	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Interest income calculated using effective interest rate	8	395,187,244	317,670,982	305,090,296	254,281,911
Interest income on financial assets at FVTPL	8	75,725,795	57,613,081	64,474,598	51,941,439
Interest expense	8	(203,185,388)	(179,010,289)	(174,818,269)	(158,028,620)
Net interest income		267,727,651	196,273,774	194,746,624	148,194,730
Net impairment charge	9	(38,922,593)	(34,240,420)	(33,345,336)	(31,456,551)
Net interest income after impairment charges		228,805,058	162,033,355	161,401,288	116,738,180
Fee and commission income	10 (a)	113,829,962	87,883,483	89,892,257	73,086,179
Fee and commission expense	10 (b)	(24,842,432)	(16,041,520)	(23,009,099)	(15,504,304)
Net fee and commission income		88,987,530	71,841,963	66,883,158	57,581,874
Net (loss)/gains on financial instruments at fair value	11a,b	(1,779,947)	84,192,747	(6,094,345)	79,588,076
Net foreign exchange gain/(loss)	12 a	86,806,498	12,637,311	78,081,568	4,821,555
Net loss on fair value hedge (Hedging ineffectiveness)	12 b	(1,116,651)	-	(1,116,651)	-
Other operating income	13	21,823,565	32,789,151	16,019,885	31,532,521
Bargain purchase from Acquisition	44	2,640,414	-	-	-
Personnel expenses	14	(71,829,146)	(57,094,189)	(46,474,014)	(42,526,297)
Depreciation	28	(21,416,832)	(18,659,465)	(16,871,384)	(15,827,758)
Amortization and impairment	29	(8,966,665)	(7,275,015)	(7,555,332)	(6,832,097)
Other operating expenses	15	(188,890,551)	(163,843,291)	(165,187,242)	(150,333,611)
Share of profit of investment in Associate	27 (a)	8,303	-	-	-
Profit before tax		135,071,574	116,622,568	79,086,931	74,742,445
Income tax	16	(13,181,319)	(14,322,071)	(5,941,989)	(9,579,093)
Profit for the period		**121,890,255**	**102,300,497**	**73,144,942**	**65,163,352**
Other comprehensive income (OCI) net of income tax :					
Items that may be subsequently reclassified to the income statement:					
Unrealised foreign currency translation difference		17,898,860	5,499,628	-	-
Changes in fair value of FVOCI financial instruments		(62,053,772)	(11,453,547)	(69,690,980)	(11,585,936)
Changes in allowance on FVOCI financial instruments		(10,702)	234,117	(138,043)	209,343
Other comprehensive (loss)/gain, net of related tax effects		(44,165,614)	(5,719,804)	(69,829,024)	(11,376,593)
Total comprehensive income/(loss) for the period		**77,724,641**	**96,580,694**	**3,315,919**	**53,786,758**
Profit attributable to:					
Owners of the bank		120,008,164	100,899,554	73,144,942	65,163,352
Non-controlling interest	38	1,882,092	1,400,944	-	-
Profit for the period		**121,890,255**	**102,300,497**	**73,144,942**	**65,163,352**
Total comprehensive income attributable to:					
Owners of the bank		67,666,681	96,992,509	3,315,919	53,786,758
Non-controlling interest	38	10,057,961	(411,815)	-	-
Total comprehensive income/(loss) for the period		**77,724,641**	**96,580,694**	**3,315,919**	**53,786,758**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	346	290	206	183
Diluted (kobo)	17	338	284	206	183

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

Consolidated and separate statement of comprehensive income

In thousands of Naira	**Notes**	**Group 3 Months to September 2021**	**Group 3 Months to September 2020**	**Bank 3 Months to September 2021**	**Bank 3 Months to September 2020**
Interest income calculated using effective interest rate	8	115,544,494	105,680,449	83,295,122	81,854,207
Interest income on financial assets at FVTPL	8	35,634,536	22,881,094	32,463,408	19,043,266
Interest expense	8	(83,519,207)	(58,495,183)	(73,934,830)	(49,795,540)
Net interest income		67,659,824	70,066,361	41,823,700	51,101,934
Net impairment charge	9	(10,253,587)	(17,774,729)	(10,489,330)	(16,687,937)
Net interest income after impairment charges		57,406,237	52,291,632	31,334,370	34,413,998
Fee and commission income	10 (a)	40,115,149	36,108,569	31,111,524	30,390,123
Fee and commission expense	10 (b)	(9,854,755)	(4,858,870)	(8,740,765)	(4,656,133)
Net fee and commission income		30,260,394	31,249,698	22,370,759	25,733,989
Net (loss)/gains on financial instruments at fair value	11a,b	21,474,864	(50,647,874)	22,109,947	(51,775,547)
Net foreign exchange gain/(loss)	12 a	18,611,475	78,860,210	13,515,356	74,308,990
Net loss on fair value hedge (Hedging ineffectiveness)	12 b	3,104,792	(1,116,651)		-
Other operating income	13	8,018,962	3,147,066	7,008,335	2,848,764
Bargain purchase from Acquisition	44	-	-	-	-
Personnel expenses	14	(28,224,656)	(20,842,808)	(19,009,478)	(14,694,347)
Depreciation	28	(7,354,639)	(6,128,156)	(5,734,351)	(5,577,543)
Amortization and impairment	29	(2,944,788)	(4,137,301)	(2,501,348)	(2,263,709)
Other operating expenses	15	(62,776,660)	(43,167,777)	(52,459,390)	(37,321,885)
Share of profit of investment in Associate	16c	-	-	-	-
Profit before tax		37,575,983	39,508,041	16,634,201	25,672,708
Income tax	16	(2,621,246)	(1,050,643)	(4,735,902)	(3,085,224)
Profit for the period		**34,954,737**	**38,457,397**	**11,898,299**	**22,587,485**
Other comprehensive income (OCI) net of income tax :					
Items that may be subsequently reclassified to the income statement:					
Foreign currency translation differences for foreign subsidiaries:					
Unrealised foreign currency translation difference		2,145,594	(7,052,264)	-	-
Changes in fair value of FVOCI financial instruments		(2,968,474)	(16,480,223)	(2,353,025)	(17,605,350)
Changes in allowance on FVOCI financial instruments		(65,027)	(1,495)	(64,233)	(11,177)
Other comprehensive gain/(loss), net of related tax effects		(887,907)	(23,533,983)	(2,417,259)	(17,616,528)
Total comprehensive income for the period		**34,066,831**	**14,923,414**	**9,481,041**	**4,970,956**
Profit attributable to:					
Owners of the bank		33,907,884	37,732,301	11,898,299	22,587,485
Non-controlling interest	38	1,046,854	725,096	-	-
Profit for the period		**34,954,737**	**38,457,397**	**11,898,299**	**22,587,485**
Total comprehensive income attributable to:					
Owners of the bank		27,677,249	13,432,959	9,481,041	4,970,956
Non-controlling interest	38	6,389,581	1,490,455	-	-
Total comprehensive income for the period		**34,066,831**	**14,923,414**	**9,481,041**	**4,970,956**
Earnings per share attributable to ordinary shareholders					
Basic (kobo)	17	98	116	42	64
Diluted (kobo)	17	95	114	42	64

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

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

Consolidated and separate statement of financial position
As at 30 September 2021

In thousands of Naira	*Notes*	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Assets					
Cash and balances with banks	18	1,399,115,872	723,872,820	979,245,643	589,812,440
Investment under management	19	31,626,056	30,451,466	31,626,056	30,451,466
Non pledged trading assets	20	275,386,106	207,951,943	173,144,924	110,283,112
Derivative financial assets	21	164,376,938	251,112,745	159,996,471	244,564,046
Loans and advances to banks	22	294,938,103	392,821,307	251,468,034	231,788,276
Loans and advances to customers	23	3,746,027,933	3,218,107,027	3,111,380,697	2,818,875,731
Pledged assets	24	341,958,969	228,545,535	341,958,969	228,545,535
Investment securities	25	1,972,931,383	1,749,549,145	1,462,825,964	1,428,039,657
Investment properties	31a	217,000	217,000	217,000	217,000
Restricted deposit and other assets	26	1,779,798,345	1,548,891,262	1,702,374,359	1,490,633,059
Investment in associates	27a	2,496,604	-	2,488,301	-
Investment in subsidiaries	27b	-	-	176,463,861	164,251,532
Property and equipment	28	243,401,253	226,478,704	191,718,375	191,893,318
Intangible assets	29	67,463,343	69,189,846	60,777,256	67,496,079
Deferred tax assets	30	10,427,741	4,240,447	-	-
		10,330,165,644	8,651,429,247	8,645,685,910	7,596,851,251
Asset classified as held for sale	31b	36,418,914	28,318,467	36,228,914	28,128,467
Total assets		**10,366,584,558**	**8,679,747,714**	**8,681,914,824**	**7,624,979,718**
Liabilities					
Deposits from financial institutions	32	1,351,546,213	958,397,171	1,041,377,085	831,632,332
Deposits from customers	33	6,227,065,505	5,587,418,213	5,135,046,940	4,832,744,495
Derivative financial liabilities	21	8,226,667	20,880,529	7,864,358	20,775,722
Current tax liabilities	16	8,497,862	2,159,921	7,459,761	2,546,893
Other liabilities	34	450,963,457	379,416,786	404,039,665	342,460,268
Deferred tax liabilities	30	20,373,889	14,877,285	11,925,862	11,925,861
Debt securities issued	35	385,381,839	169,160,059	380,248,110	169,160,059
Interest-bearing borrowings	36	1,109,989,435	791,455,237	1,060,753,491	755,254,273
Retirement benefit obligation	37	5,181,880	4,941,268	5,149,380	4,584,149
Total liabilities		**9,567,226,747**	**7,928,706,469**	**8,053,864,652**	**6,971,084,052**
Equity					
Share capital and share premium	38	251,811,463	251,811,463	251,811,463	251,811,463
Retained earnings		352,671,482	252,396,881	260,064,968	206,896,038
Other components of equity	38	177,478,178	239,494,175	116,173,741	195,188,165
		781,961,123	**743,702,519**	**628,050,172**	**653,895,666**
Total equity attributable to owners of the Bank					
Non controlling interest	38	17,396,687	7,338,726	-	-
Total equity		**799,357,810**	**751,041,245**	**628,050,172**	**653,895,666**
Total liabilities and equity		**10,366,584,558**	**8,679,747,714**	**8,681,914,824**	**7,624,979,718**

Signed on behalf of the Board of Directors on 29 October, 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	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January, 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**	**743,702,519**	**7,338,726**	**751,041,245**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	120,008,164	120,008,164	1,882,092	121,890,256
Other comprehensive income/(loss), net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	16,190,999	-	16,190,999	1,707,860	17,898,860
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(68,521,780)	-	-	(68,521,780)	6,468,009	(62,053,772)
Changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	(10,702)	-	-	(10,702)	-	(10,702)
Total other comprehensive (loss)/ income	**-**	**-**	**-**	**-**		**-**	**-**	**(68,532,481)**	**16,190,999**	**-**	**(52,341,481)**	**8,175,868**	**(44,165,615)**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(68,532,481)**	**16,190,999**	**120,008,164**	**67,666,683**	**10,057,961**	**77,724,642**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	(25,952,448)	15,472,569	-	-	-	-	-	10,479,880	-		-
Additional shares	-	-	-	-	942,784	-	-	-	-	-	942,784	-	942,784
Scheme shares	-	-	-	-	1,253,801	(1,189,447)	-	-	-	-	64,353	-	64,353
Vested shares	-	-	-	-	(201,775)	-	-	-	-	-	(201,775)	-	(201,775)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(30,213,442)	(30,213,442)	-	(30,213,442)
Total contributions by and distributions to equity holders	**-**	**-**	**(25,952,448)**	**15,472,569**	**1,994,807**	**(1,189,448)**	**-**	**-**	**-**	**(19,733,562)**	**(29,408,080)**	**-**	**(29,408,080)**
Balance at 30 September 2021	**17,772,613**	**234,038,850**	**20,473,530**	**131,047,676**	**2,871,570**	**(6,301,094)**	**3,489,080**	**(8,425,917)**	**34,323,332**	**352,671,482**	**781,961,121**	**17,396,687**	**799,357,808**

Consolidated statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank												
	Share capital	**Share premium**	**Regulatory risk reserve**	**Other regulatory reserves**	**Share scheme reserve**	**Treasury Shares**	**Capital reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total Equity**
Balance at 1 January 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**
Restatement of goodwill amortization for 2019										(3,453,063)	(3,453,063)		**(3,453,063)**
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**	**221,665,749**	598,210,998	**8,528,833**	**606,739,831**
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	-	-	100,899,554	100,899,554	1,400,944	102,300,497
Other comprehensive income, net of tax													
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	6,523,960	-	6,523,960	(1,024,332)	5,499,628
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	-	(10,665,121)	-	-	(10,665,121)	(788,426)	(11,453,547)
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	-	234,117	-	-	234,117	-	234,117
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,431,004)**	**6,523,960**	**-**	**(3,907,044)**	**(1,812,759)**	**(5,719,804)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,431,004)**	**6,523,960**	**100,899,554**	**96,992,510**	**(411,815)**	**96,580,694**
Transactions with equity holders, recorded directly in equity:													
Transfers during the period	-	-	1,786,022	15,030,491	-	-	-	-	-	(16,816,513)	-	-	-
Additional shares	-	-	-	-	-	(522,321)	-	-	-	-	(522,321)	-	(522,321)
Scheme shares	-	-	-	-	674,848	-	-	-	-	-	674,848	-	674,848
Vested shares	-	-	-	-	(905,428)	-	-	-	-	-	(905,428)	-	(905,428)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	(23,104,397)	(23,104,397)	-	(23,104,397)
Total contributions by and distributions to equity holders	**-**	**-**	**1,786,022**	**15,030,491**	**(230,579)**	**(522,321)**	**-**	**-**	**-**	**(39,920,909)**	**(23,857,297)**	**-**	**(23,857,297)**
Balance at 30 September 2020	**17,772,613**	**234,038,850**	**19,877,963**	**108,353,145**	**1,651,188**	**(5,318,234)**	**3,489,080**	**(9,466,761)**	**18,303,973**	**282,644,393**	**671,346,211**	**8,117,018**	**679,463,228**

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**	**95,067,599**	**876,761**	**3,489,081**	**59,574,139**	**206,896,038**	**653,895,666**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	73,144,943	73,144,943
Other comprehensive income, net of tax									
Changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(69,690,980)	-	(69,690,980)
Changes in allowance on FVOCI financial instruments				-			(138,043)	-	(138,043)
Total other comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(69,829,024)**	**-**	**(69,829,024)**
Total comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(69,829,024)**	**73,144,944**	**3,315,920**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	(21,209,169)	10,971,742	-	-	-	10,237,427	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(30,213,442)	(30,213,442)
Scheme shares	-	-	-	-	1,052,029	-	-	-	1,052,029
Total contributions by and distributions to equity holders	**-**	**-**	**(21,209,169)**	**10,971,742**	**1,052,029**	**-**	**-**	**(19,976,015)**	**(29,161,413)**
Balance at 30 September 2021	**17,772,613**	**234,038,850**	**14,971,416**	**106,039,341**	**1,928,791**	**3,489,081**	**(10,254,885)**	**260,064,966**	**628,050,173**

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**	**188,925,555**	**539,488,037**
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	-	-	65,163,352	65,163,352
Other comprehensive income, net of tax									
Net changes in fair value of FVOCI financial instruments	-	-	-	-	-	-	(11,585,936)	-	(11,585,936)
Net changes in allowance on FVOCI financial instruments	-	-	-	-	-	-	209,343	-	209,343
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(11,376,593)**	**-**	**(11,376,593)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(11,376,593)**	**65,163,352**	**53,786,758**
Transactions with equity holders, recorded directly in equity:									
Transfers for the period	-	-	-	9,774,503	-	-	-	(9,774,503)	-
Dividend paid to equity holders	-	-	-	-	-	-	-	(23,104,397)	(23,104,397)
Scheme shares	-	-	-	-	674,848	-	-	-	674,848
Vested shares	-	-	-	-	(905,428)	-	-	-	(905,428)
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**9,774,503**	**(230,579)**	**-**	**-**	**(32,878,900)**	**(23,334,976)**
Balance at 30 September 2020	**17,772,613**	**234,038,850**	**9,483,000**	**92,836,203**	**1,651,187**	**3,489,081**	**(10,541,122)**	**221,210,006**	**569,939,820**

Consolidated statement of cash flows

In thousands of Naira	Note	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Cash flows from operating activities					
Profit before income tax		135,071,574	116,622,568	79,086,931	74,742,445
Adjustments for:					
Depreciation	28	21,416,832	18,659,465	16,871,384	15,827,758
Amortization and impairment loss	29	8,966,665	7,275,015	7,555,332	6,832,097
Loss/(gain) on disposal of property and equipment	13	6,547	(2,444,085)	37,768	(2,440,199)
Loss/ (gain) on lease modification		410,009	-	410,009	-
Fair value gain on financial assets at FVPL		(12,989,314)	(83,544,200)	(14,180,345)	(79,043,078)
Gain on disposal of investment securities	9	(17,859,996)	-	(12,354,566)	-
Impairment on financial assets		28,456,959	34,257,828	22,856,005	31,456,549
Additional gratuity provision		240,612	466,192	565,231	634,828
Restricted share performance plan expense		1,253,801	674,848	1,052,029	674,848
Write-off of property and equipment and intangible assets	28	329,706	10,877	81,559	-
Share of profit from associate		(8,303)	-	-	-
Gain on bargain purchase from acquisition			-		-
Net interest income	8	(317,335,556)	(196,273,774)	(244,354,529)	(148,194,731)
Foreign exchange (loss) on revaluation	12	(86,569,316)	8,069,986	(78,081,568)	5,196,981
Loss on derognition of ROU assets		356,317	-	-	-
Fair value of derivative financial instruments excluding hedged portion		82,237,161	-	82,237,161	-
Dividend income	13	(2,625,898)	-	(2,625,897)	-
Net loss on fair value hedge (Hedging ineffectiveness)		1,116,651	-	1,116,651	-
(Loss)/Profit on disposal of asset held for sale			(5,000)		(5,000)
		(157,525,549)	(96,230,281)	(139,726,846)	(94,317,504)
Changes in operating assets					
Changes in non-pledged trading assets		(76,218,644)	(140,878,450)	(70,797,690)	(99,854,779)
Changes in pledged assets		190,858,600	(39,748,043)	190,844,980	(39,748,043)
Changes in other restricted deposits with central banks		(90,056,112)		(87,617,816)	-
Changes in loans and advances to banks and customers		(320,038,202)	(530,624,622)	(318,047,558)	(351,357,699)
Changes in restricted deposits and other assets		(143,386,849)	(248,829,488)	(150,956,711)	(296,457,256)
Changes in fair value of derivative financial instruments			(802,091)	-	284,412
Changes in operating liabilities					
Changes in deposits from banks		705,165,356	(449,752,865)	552,341,284	(425,560,474)
Changes in deposits from customers		455,729,442	1,014,283,500	292,034,429	875,800,523
Changes in other liabilities		52,571,118	(71,926,452)	60,877,380	(36,398,872)
		617,099,160	(564,508,793)	328,951,450	(467,609,693)
Interest paid on deposits to banks and customers		(151,219,299)	(154,963,432)	(115,391,010)	(132,977,758)
Interest received on loans and advances to bank and customers		242,900,920	337,271,051	189,847,152	233,114,932
Interest received on non-pledged trading assets		76,371,431	-	64,285,251	-
Payment to gratuity benefit holders		-	-	-	-
		785,152,211	(382,201,173)	467,692,843	(367,472,518)
Income tax paid		(6,843,378)	(12,230,999)	(1,029,123)	(833,734)
Net cash generated from/(used in) operating activities		**778,308,833**	**(394,432,171)**	**466,663,720**	**(368,306,254)**
Cash flows from investing activities					
Net proceeds on investment securities		(741,014,550)	(825,786,976)	(585,378,386)	(803,950,147)
Interest received on investment securities		178,328,107	128,055,182	138,213,829	102,330,182
Addiitonal investment to fund managers		(1,077,924)	(2,494,366)	(1,077,924)	(2,494,366)
Dividend received	13	2,625,898	-	2,625,897	-
Acquisition of property and equipment	28	(30,836,971)	(23,418,768)	(16,590,890)	(18,840,538)
Proceeds from the sale of property and equipment		2,525,381	5,536,904	1,168,727	10,285,213
Acquisition of intangible assets		(4,372,093)	(5,357,704)	(836,512)	(4,650,866)
Proceeds from disposal of asset held for sale		2,219,000	1,505,000	2,219,000	1,505,000
Proceeds from matured investment securities		351,032,901	652,026,928	351,032,901	652,026,928
Additional investment in associate		(1,971,977)	-	(1,971,977)	-
Additional investment in subsidiaries			-	(11,411,683)	(26,401,869)
Net cash acquired on business combination		46,931,134	-	-	-
Net cash used in investing activities		**(195,611,095)**	**(69,933,800)**	**(122,007,017)**	**(90,190,462)**
Cash flows from financing activities					
Interest paid on interest bearing borrowings and debt securities issued		(42,446,523)	(34,610,495)	(40,808,295)	(33,181,705)
Proceeds from interest bearing borrowings		391,317,472	136,712,198	372,172,728	137,611,192
Repayment of interest bearing borrowings		(57,646,860)	-	(78,048,439)	-
Proceeds from debt securities issued	35	210,251,521	-	204,946,341	-
Purchase of own shares		(800,646)	(1,427,747)	(800,646)	(1,400,894)
Dividends paid to owners		(30,213,442)	(23,104,397)	(30,213,442)	(23,104,397)
Lease payments		(1,324,969)	(1,497,456)	(241,517)	(306,702)
Net cash (used in) financing activities		**469,136,553**	**76,072,103**	**427,006,732**	**79,617,495**
Net increase/(decrease) in cash and cash equivalents		1,051,834,291	(388,293,871)	771,663,434	(378,879,222)
Cash and cash equivalents at beginning of period	40	837,846,589	1,226,031,019	704,478,297	1,080,005,273
Net increase/ (decrease) in cash and cash equivalents		1,051,834,291	(388,293,871)	771,663,430	(378,879,222)
Effect of exchange rate fluctuations on cash held		19,624,929	17,217,925	16,351,536	16,635,527
Cash and cash equivalents at end of period	40	1,909,305,809	854,955,073	1,492,493,267	717,761,579

1.0 General information

Access Bank Plc (“the Bank”) is a bank domiciled in Nigeria. The address of the Bank’s registered office is No 14/15, Prince Alaba Oniru Road, Oniru, Lagos (formerly Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos). The consolidated and separate financial statements of the Bank for the period ended 30 Sepember 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 October 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 2021:

(a) IFRS 16 Leases (amendment): The amendment extends the availability of the practical expedient so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The group elected not to apply this practical expedient.

(b) IAS 1 Presentation of Financial Statements (amendments), IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amendments): In response to the IASB’s Disclosure Initiative – Principles of Disclosure, the amendments introduce a requirement on entities to disclose their material accounting policy information rather than significant accounting policies. To support this amendment the IASB also amended its IFRS Materiality Practice Statement to explain and demonstrate the application of the materiality process to accounting policy disclosures. The amendments have been applied prospectively.

(c) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments introduce the definition of accounting estimates and include amendments to assist entities to distinguish changes in accounting estimates from changes in accounting policies. The amendments have been applied prospectively.

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

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

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

(a) New standards and amendments – applicable 1 January 2021

The following standards and interpretations apply for the time to financial reporting periods commencing on or after 1 January 2021

Covid-19-related Rent Concessions – Amendments to IFRS 16. Effective date is 1 June 2020/ 1 April 2021

Inerest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Effective date is 1 January 2021

(b) Forthcoming requirements

As at 30 September 2021, the following standards and interpretations has been issued but were not mandatory for annual reporting periods ending on 31 December 2021.

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

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

Annual Improvements to IFRS Standards 2018 – 2020. Effective date is 1 January 2022

Classification of Liabilities as Current or Non – Current – Amendments to IAS 1. Effective date is 1 January 2023 (deferred from 1 January 2022)

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statements 2. Effective date is 1 January 2023

3.3 Basis of consolidation

(a) Subsidiaries

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

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

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

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

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

The subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

(b) Business combinations

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

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

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; Plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less

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

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

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

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

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

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

(c) Loss of control

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

(d) Disposal of subsidiaries

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

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

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

(f) Transactions eliminated on consolidation

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

(g) Non-controlling interests

3.4 Segment reporting

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

3.5 Foreign currency translation

(a) Functional and presentation currency

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

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

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

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

3.6 Operating income

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

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

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

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

(a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the consolidated and separate income statement using the effective interest method.

The Group calculates interest income by applying the Effective interest rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets 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 on investment securities.

(b) Fees and commission income and expense

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

Fee and commission presented in the income statement includes:
- Credit related fees: This includes advisory, penal and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Bank recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate. The penal fee on default also forms part of the items warehoused in this line.When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment year.
- Account maintenance fees: These are fees charged to current accounts. N1 on every N1,000 in respect of all customer induced debit transactions is charged on these accounts. These fees are earned by the Bank at the time of each transaction and the Bank recognises its income accordingly.
- Card maintenance fees: The Bank charges these fees to customers for maintaining their cards. The fees are earned and recognised by the Bank over the validity period of the card. The Bank charges the customers for this service on a monthly basis.
- Other fees and commission income, includes commission on bills and letters of credit, account handling charge, commissions on other financial services, commission on foreign currency denominated transactions, channel and other e-busiess income, and retail account charges. These fees and commissions are recognised as the related services are performed.

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

(c) Net loss/gains on investment securities

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

(d) Net Foreign exchange gain and losses

Net foreign exchange gain and losses include foreign exchange gains and losses 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. It is recognized in the current tax liabilities caption in the sattement of financial positions

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting 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. This is shown in note 16

(c) Deferred tax

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

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

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

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

3.8 Financial assets and liabilities

Recognition and derecognition

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

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

(a) Financial assets

i *Classification*

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

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

● those to be measured subsequently at amortised cost.

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

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

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Where the fair value is different from the transaction cost, the resulting gain or loss is recognized in trading gains or losses on financial instruments

ii *Debt instruments*

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

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

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

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

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.

For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. 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 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 include derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains and losses attributable to changes in Group's credit risk 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)/gain on financial instruments at fair value". Interest income and expense and dividend income on financial assets held for trading are included in 'Interest income', "Interest expense' or 'Other operating income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

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

[ii] Amortized cost

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

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

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

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

[iv] Fair value through other comprehensive income

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

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

Other fair value changes are recognised directly in other comprehensive income until the 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 the 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 such as the beneficiary, tenor, prinicpal amount or the interest rate, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(h) Offsetting

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

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

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

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

(i) Measurement of specific financial assets

(i) Cash and balances with banks

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

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

(ii) Repossessed collateral

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

(iii) Derivative financial instruments

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

(iv) Pledged assets

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

3.9 Impairment of financial assets

Overview of the ECL principles

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

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

Staging Assessment

The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.
Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2,Stage 3 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 2	Stage 3
(Initial Recognition)	(Initial Recognition)	(Credit-impaired assets)
12-months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Measuring the Expected Credit Loss

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

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

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

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

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

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

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

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

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

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

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

The mechanics of the ECL method are summarised below:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
• The borrower is in long-term forbearance
• The borrower is deceased
• The borrower is insolvent
• The borrower is in breach of financial covenant(s)
• An active market for that financial asset has disappeared because of financial difficulties
• Concessions have been made by the lender relating to the borrower's financial difficulty

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Expected credit loss on fair value through other comprehensive income securities

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

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

3.10 Investment properties

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

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

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

3.11 Property and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent costs

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

(c) Depreciation

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

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

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

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

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

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

(d) De-recognition

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

3.12 Leases

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

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Assets and liabilities arising from a lease are initially measured on a present value basis. Interest income on finance leases is incldued as part of interest income on loans and advances to customers.

Lease liabilities

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

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Bank's incremental borrowing rate is used, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The weighted average incremental borrowing rate applied to the lease liabilities as at 30 September 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 or its equivalent in Naira when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense in profit or loss on a straight-line basis over the lease term.

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

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

The amendment is effective for annual reporting 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 year

- **Critical judgements**

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

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

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

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

A group company is the lessor;

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

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.

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in deposits from banks or deposits from customers depending on the counter party. The interest element of the finance cost is charged to the income statement over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

3.13 Intangible assets

(a) Goodwill

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

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.

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. There are no restrictions to the distribution of these reserves

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

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

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

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

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

(f) Capital reserve

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

(g) Fair value reserve

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

(h) Foreign currency translation reserve

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

(i) Retained earnings

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

3.21 Levies

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

3.22 Derivatives and hedging activities

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

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

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

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

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

Hedge effectiveness

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

Derivatives that do not qualify for hedge accounting

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

3.23 Associates

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

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

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

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

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

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

4.1 ***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
September 2021

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	4,884,375	-	-	4,884,375
Placements	-	-	7,415,010	7,415,010
Commercial paper	-	6,258,213	-	6,258,213
Treasury bills	4,987,447	-	-	4,987,447
Mutual funds	-	5,221,004	-	5,221,004
Eurobonds	-	2,860,007	-	2,860,007
Non pledged trading assets				
Treasury bills	191,584,812	-	-	191,584,812
Government Bonds	83,789,734	-	-	83,789,734
Eurobonds	-	11,559	-	11,559
Equity	-	-	-	-
Derivative financial instrument	-	164,376,938	-	164,376,938
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	52,806,599	-	-	52,806,599
Government Bonds	422,160	-	-	422,160
-Financial instruments at FVPL				
Treasury bills	16,713,889	-	-	16,713,889
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	521,978,661	-	-	521,978,661
Government Bonds	184,655,672	-	-	184,655,672
State government bonds	-	29,969,565	-	29,969,565
Corporate bonds	-	5,156,158	-	5,156,158
Eurobonds	-	20,590,070	-	20,590,070
Promissory notes	-	290,321	-	290,321
-Financial assets at FVPL				-
Equity	534,682	3,656,260	137,574,634	141,765,576
Assets held for sale	-	-	36,418,914	36,418,914
	1,062,358,033	238,390,097	181,408,559	1,482,156,687
Liabilities				
Derivative financial instrument	-	8,226,667	-	8,226,667
	-	8,226,667	-	8,226,667

* There are no transfers between levels during the period

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	-	251,112,745	-	251,112,745
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,603	-	-	85,006,603
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	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
	1,205,399,370	418,423,354	172,279,565	1,796,102,289
Liabilities				
Derivative financial instrument	-	20,880,529	-	20,880,529
	-	20,880,529	-	20,880,529

Bank
September 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	4,884,375	-	-	4,884,375
Placements	-	-	7,415,010	7,415,010
Commercial paper	-	6,258,213	-	6,258,213
Nigerian Treasury bills	4,987,447	-	-	4,987,447
Mutual funds	-	5,221,004	-	5,221,004
Eurobonds	-	2,860,007	-	2,860,007
Non pledged trading assets				
Treasury bills	171,614,697	-	-	171,614,697
Government Bonds	1,518,667	-	-	1,518,667
Eurobonds	-	11,559		11,559
Equity	-	-	-	-
Derivative financial instrument	-	159,996,471	-	159,996,471
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	52,806,599	-	-	52,806,599
Government Bonds	422,160	-	-	422,160
-Financial instruments at FVPL				
Treasury bills	16,713,889	-	-	16,713,889
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	320,673,595	-	-	320,673,595
Government Bonds	24,025,490	-	-	24,025,490
State government bonds	-	29,969,565	-	29,969,564
Corporate bonds	-	5,156,158	-	5,156,158
Eurobonds	-	14,192,162	-	14,192,162
Promissory notes	-	290,322	-	290,322
-Financial assets at FVPL				
Equity	534,682	3,656,260	137,544,111	141,735,053
Asset held for sale	-	-	36,228,914	36,228,914
	598,181,601	227,611,722	181,188,036	1,006,981,358
Liabilities				
Derivative financial instrument	-	7,864,358	-	7,864,358
	-	7,864,358	-	7,864,358

* There are no transfers between levels during the period

Bank
December 2020
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Investment under management				
Government bonds	3,882,771	-	-	3,882,771
Placements	-	-	6,386,464	6,386,464
Commercial paper	-	4,132,806	-	4,132,806
Nigerian Treasury bills	6,156,666	-	-	6,156,666
Mutual funds	-	7,109,072	-	7,109,072
Eurobonds	-	2,783,687	-	2,783,687
Non pledged trading assets				
Treasury bills	97,719,848	-	-	97,719,848
Government Bonds	12,488,649	-	-	12,488,649
Eurobonds	-	74,615		74,615
Equity	-	-	-	-
Derivative financial instrument	-	244,564,046	-	244,564,046
Pledged assets				
-Financial instruments at FVOCI				
Treasury bills	999,521	-	-	999,521
Government Bonds	2,617,080	-	-	2,617,080
-Financial instruments at FVPL				
Treasury bills	85,006,603	-	-	85,006,603
Government Bonds	-	-	-	-
Investment securities				
-Financial assets at FVOCI				
Treasury bills	608,866,687	-	-	608,866,687
Government Bonds	44,296,019	-	-	44,296,019
State government bonds	-	31,741,795	-	31,741,795
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	404,982,912	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
September 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	1,399,115,872	1,399,115,872
Loans and advances to banks	-	-	294,938,103	294,938,103
Loans and advances to customers	-	-	3,746,027,933	3,746,027,933
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	186,725,752	-	-	186,725,752
Bonds	40,717,034	-	-	40,717,034
Investment securities				
-Financial assets at amortised cost				
Treasury bills	674,750,240	-	-	674,750,240
Bonds	336,560,078	15,469,515		352,029,592
Total return notes	-	-	-	-
Promissory notes	19,503,653	-	-	19,503,652
Other assets	-	-	1,742,350,536	1,742,350,536
	1,258,256,756	15,469,515	7,182,432,443	8,456,158,712
Liabilities				
Deposits from financial institutions	-	-	1,351,546,213	1,351,546,213
Deposits from customers	-	-	6,227,065,505	6,227,065,505
Other liabilities	-	-	445,693,567	445,693,567
Debt securities issued	385,381,838	-	-	385,381,838
Interest-bearing borrowings	-	-	1,109,989,435	1,109,989,435
	385,381,838	-	9,134,294,720	9,519,676,559

* There are no transfers between levels during the period

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	-	-	3,218,107,027	3,218,107,027
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	98,097,771	-	-	98,097,771
Bonds	41,833,930	-	-	41,833,930
Investment securities				
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	272,033,759	5,406,240		277,439,998
Total return notes	45,527,717	-	-	45,527,716
Promissory notes	427,536	-	-	427,535
Other assets	-	-	1,522,315,074	1,522,315,074
	695,030,158	**5,406,240**	**5,857,116,228**	**6,557,552,626**

	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	-	-	356,638,102	356,638,102
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	-	-	791,455,237	791,455,237
	169,160,059	**-**	**7,693,908,723**	**7,863,068,782**

Bank
September 2021
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	-	979,245,643	979,245,643
Loans and advances to banks	-	-	251,468,034	251,468,034
Loans and advances to customers	-	-	3,111,380,697	3,111,380,697
Pledged assets				
-Financial instruments at amortized cost				
Treasury bills	186,725,752	-	-	186,725,752
Bonds	40,717,034	-	-	40,717,034
Investment securities				
Financial assets at amortised cost				
Treasury bills	578,801,235	-	-	578,801,235
Bonds	289,783,582	15,469,515	-	305,253,097
Total return notes	-	-	-	-
Promissory notes	19,503,654	-	-	19,503,654
Other Assets	-	-	1,671,151,823	1,671,151,823
	1,115,531,256	15,469,515	6,013,246,196	7,144,246,967
Liabilities				
Deposits from financial institutions	-	-	1,041,377,085	1,041,377,085
Deposits from customers	-	-	5,135,046,940	5,135,046,940
Other liabilities	-	-	399,186,870	399,186,870
Debt securities issued	380,248,110		-	380,248,110
Interest-bearing borrowings	-	-	1,060,753,491	1,060,753,491
	380,248,110	-	7,636,364,386	8,016,612,497

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	-	-	1,471,481,477	1,471,481,477
	625,004,933	5,406,240	5,111,957,923	5,742,369,097
Liabilities				
Deposits from financial institutions	-	-	831,632,332	831,632,332
Deposits from customers	-	-	4,832,744,495	4,832,744,495
Other liabilities	-	-	322,955,910	322,955,910
Debt securities issued	169,160,059		-	169,160,059
Interest-bearing borrowings	-	-	755,254,273	755,254,273
	169,160,059	-	6,742,587,010	6,911,747,069

* There are no transfers between levels during the period

Financial instrument measured at fair value

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:

(i) Quoted market prices or dealer quotes for similar instruments;

(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;

(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in level 3

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

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

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

Transfers between fair value hierarchy

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

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

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

Description	Fair value at 30 September 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	159,996,471	Forward and swap: Fair value through market rate from a quoted market Futures: Fair value through reference market rate	Market rates from quoted market	151,933,702	152,330,798	The higher the market rate, the higher the fair value of the derivative financial instrument
Derivative financial liabilities	7,864,358					
Investment in CSCS	6,187,500	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	6,496,875	5,878,125	The higher the share price, the higher the fair value
Nigerian Mortgage Refinance Company	291,111	The market value is obtained from the National Association Of Securities Dealers (NASD) as at the reporting period	Share price from NASD	305,667	276,556	The higher the share price, the higher the fair value

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

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

Description	Fair value at 30 September 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	125,504,489	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	131,779,714	119,229,265	130,768,094	130,006,886	The higher the illiquidity ratio, the control premium and the size adjustment/haircut, the higher the fair value
Investment in Unified Payment System Limited	5,538,179	Adjusted fair value comparison approach	Median PE ratios of comparable companies	5,716,588	5,172,151	5,379,684	5,509,056	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in NIBSS	15,045,440	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	18,548,638	16,782,101	17,455,484	17,875,256	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in Afrexim	67,422	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	70,794	64,051	26,649	27,289	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
Investment in FMDQ	6,392,677	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	5,708,021	5,164,400	5,385,263	5,629,708	The higher the illiquidity ratio and the earnings per share haircut adjustment the higher the fair value
Investment in CRC Bureau	1,002,167	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	530,912	480,349	499,623	511,638	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
CAPITAL ALLIANCE EQUITY FUND	4,281,018	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	4,495,068	4,066,967	4,495,068	4,066,967	The higher the illiquidity ratio and the size adjustment/haircut, the lower the fair value
NG Clearing	600,686	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	508,163	459,767	445,979	450,630	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 30 September 2021

Financial assets at fair value through profit or loss (Equity)	**Group September 2021**	**Group December 2020**	**Bank September 2021**	**Bank December 2020**
Opening balance	141,230,894	112,559,385	141,200,370	112,527,686
Total unrealised gains in P/L	23,760,319	28,672,684	23,760,319	28,672,684
Purchase/Sales	241,058	(1,175)	-	-
Balance, period end	**165,232,271**	**141,230,894**	**164,960,689**	**141,200,370**

Assets Held for Sale	**Group September 2021**	**Group December 2020**	**Bank September 2021**	**Bank December 2020**
Opening balance	28,318,472	24,957,521	28,128,474	24,957,525
Acquired from business combination	-	-	-	-
Additions	10,319,450	5,370,951	10,319,448	5,180,949
Disposals	(2,219,000)	(2,010,000)	(2,219,000)	(2,010,000)
Balance, period end	**36,418,921**	**28,318,472**	**36,228,921**	**28,128,474**

Investment under management	**Group September 2021**	**Group December 2020**	**Bank September 2021**	**Bank December 2020**
Opening balance	30,451,466	28,291,959	30,451,466	28,291,959
Additions	1,174,590	2,159,507	1,174,590	2,159,507
Balance, period end	**31,626,056**	**30,451,466**	**31,626,056**	**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 and the amounts is a reasonable approximation of fair value.

(v) Deposits from banks and customers

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

(vi) Other liabilities

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

(vii) Interest bearing borrowings

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

(viii) Debt securities issued

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

Market risk management

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

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

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

September 2021	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	150,793,656	-	1,248,642,946	1,399,436,602
Non pledged trading assets	275,386,106	-	-	275,386,106
Derivative financial instruments	-	-	164,376,938	164,376,938
Loans and advances to banks	294,938,103	-	-	294,938,103
Loans and advances to customers	19,740,220	3,726,287,713	-	3,746,027,933
Pledged assets		-	-	-
Treasury bills	256,246,240	-	-	256,246,240
Bonds	41,139,194	-	-	41,139,194
Promissory notes	44,605,343	-	-	44,605,343
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	521,978,661	-	-	521,978,661
Bonds	240,661,785	-	-	240,661,785
Promissory notes	290,321	-	-	290,321
-Financial assets at amortised cost				
Treasury bills	674,750,240	-	-	674,750,240
Bonds	370,308,430	-	-	370,308,430
Promissory notes	19,503,653	-	-	19,503,653
TOTAL	**2,910,341,954**	**3,726,287,713**	**1,413,019,884**	**8,049,649,551**
LIABILITIES				
Deposits from financial institutions	1,351,546,213	-	-	1,351,546,213
Deposits from customers	2,802,525,017	3,424,540,489	-	6,227,065,506
Derivative financial instruments	-	-	8,226,667	8,226,667
Debt securities issued	385,381,839	-	-	385,381,839
Interest-bearing borrowings	492,864,026	245,309,115	-	738,173,141
TOTAL	**5,032,317,095**	**3,669,849,604**	**8,226,667**	**8,710,393,366**

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	-	-	251,112,745	251,112,745
Loans and advances to banks	392,821,307	-	-	392,821,307
Loans and advances to customers	17,182,330	3,200,924,697	-	3,218,107,027
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	748,230,225	-	-	748,230,225
Bonds	299,648,663	-	-	299,648,663
Promissory notes	80,033,790	-	-	80,033,790
-Financial assets at amortised cost				
Treasury bills	237,109,445	-	-	237,109,445
Bonds	322,795,236	-	-	322,795,236
Promissory notes	-	-	427,536	427,536
TOTAL	**2,624,111,027**	**3,200,924,697**	**885,834,776**	**6,710,870,500**

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	515,430,744	276,024,490	-	791,455,234
TOTAL	**3,618,369,993**	**3,888,060,684**	**20,880,529**	**7,527,311,204**

Bank

September 2021	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	25,489,221	-	953,898,558	979,387,779
Non pledged trading assets	173,144,924	-	-	173,144,924
Derivative financial instruments	-	-	159,996,471	159,996,471
Loans and advances to banks	251,468,034	-	-	251,468,034
Loans and advances to customers	14,951,369	3,096,429,328	-	3,111,380,697
Pledged assets				
Treasury bills	256,246,240	-	-	256,246,240
Bonds	41,139,194	-	-	41,139,194
Promissory notes	44,605,343	-	-	44,605,343
Investment securities:				
-Financial assets at FVOCI	-	-	-	-
Treasury bills	320,673,595	-	-	320,673,595
Bonds	73,633,697	-	-	73,633,697
Promissory notes	290,322	-	-	290,322
-Financial assets at amortised cost				
Treasury bills	578,801,235	-	-	578,801,235
Bonds	324,756,751	-	-	324,756,751
Promissory notes	19,503,654	-	-	19,503,654
TOTAL	**2,124,703,577**	**3,096,429,328**	**1,113,895,030**	**6,335,027,935**
LIABILITIES				
Deposits from financial institutions	1,041,377,085	-	-	1,041,377,085
Deposits from customers	2,311,678,803	2,823,368,136	-	5,135,046,939
Derivative financial instruments	-	-	7,864,358	7,864,358
Debt securities issued	380,248,110	-	-	380,248,110
Interest-bearing borrowings	284,491,261	256,162,509	3,410,456	544,064,226
TOTAL	4,017,795,260	3,079,530,645	11,274,814	7,108,600,718

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	110,283,112	-	-	110,283,112
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	186,958,444	-	-	186,958,444
-Financial assets at amortised cost				
Treasury bills	194,302,056	-	-	194,302,056
Bonds	296,177,416	-	-	296,177,416
TOTAL	**1,912,057,324**	**2,803,844,582**	**794,315,363**	**5,510,217,269**
LIABILITIES				
Deposits from financial institutions	831,632,332	-	-	831,632,332
Deposits from customers	1,586,352,295	3,246,392,200	-	4,832,744,495
Derivative financial instruments	-	-	20,775,722	20,775,722
Debt securities issued	169,160,059	-	-	169,160,059
Interest-bearing borrowings	495,681,304	256,162,509	3,410,456	755,254,269
TOTAL	3,082,825,990	3,502,554,708	24,186,178	6,609,566,877

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 September 2021**	**Group December 2020**	**Bank September 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	352,671,482	252,396,881	260,064,966	206,896,038
Add back IFRS impact(adjusted day one impact)	39,626,943	39,626,943	39,626,943	39,626,943
Other reserves	177,478,178	239,494,175	116,173,741	195,188,165
Non-controlling interests	17,396,687	7,338,726	-	-
	838,984,753	**790,668,188**	**667,677,113**	**693,522,609**
Add/(Less):				
Fair value reserve for fair value through other comprehensive income instruments	8,425,917	(60,106,564)	10,254,885	(59,574,139)
Foreign currency translation reserves	(34,323,332)	(18,132,330)	-	-
Other reserves	(2,871,570)	(876,762)	(1,928,791)	(876,761)
Total Tier 1	**810,215,767**	**711,552,532**	**676,003,206**	**633,071,707**
Add/(Less):				
Deferred tax assets	(10,427,741)	(4,240,448)	-	-
Regulatory risk reserve	(20,473,530)	(46,425,978)	(14,971,416)	(36,180,585)
Intangible assets	(67,463,343)	(69,189,845)	(60,777,256)	(67,496,079)
Adjusted Tier 1	**711,851,154**	**591,696,261**	**600,254,535**	**529,395,043**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 1	**711,851,154**	**591,696,261**	**512,022,604**	**447,269,277**
Tier 2 capital				
Debt securities issued	242,006,590	237,633,454	242,006,590	237,633,454
Fair value reserve for fair value through other comprehensive income instruments	(8,425,916)	60,106,564	(10,254,885)	59,574,139
Foreign currency translation reserves	34,323,335	18,132,330	-	-
Other reserves	2,871,568	876,762	1,928,791	876,761

Total Tier 2	**270,775,576**	**316,749,110**	**233,680,496**	**298,084,355**
Adjusted Tier 2 capital (33% of Tier 1)	**237,259,989**	**197,212,364**	**200,064,837**	**176,447,369**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 2	**237,259,989**	**197,212,364**	**111,832,907**	**94,321,603**
Total regulatory capital	**949,111,143**	**788,908,625**	**623,855,511**	**541,590,880**
Risk-weighted assets	**4,314,504,025**	**3,827,611,095**	**3,536,804,618**	**3,073,558,941**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	22.00%	20.61%	17.64%	17.62%
Total tier 1 capital expressed as a percentage of risk-weighted assets	16.50%	15.46%	16.97%	17.22%

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 September 2021	Group December 2020	Bank September 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	352,671,482	252,396,881	260,064,966	206,896,038
Other reserves	177,478,178	239,494,175	116,173,741	195,188,165
Non-controlling interests	17,396,687	7,338,726	-	-
	799,357,810	**751,041,246**	**628,050,170**	**653,895,666**
Add/(Less):				
Fair value reserve for fair value through other comprehensive income instruments	8,425,917	(60,106,564)	10,254,885	(59,574,139)
Foreign currency translation reserves	(34,323,332)	(18,132,330)	-	-
Other reserves	(2,871,570)	(876,762)	(1,928,791)	(876,761)
Total Tier 1	**770,588,825**	**671,925,590**	**636,376,264**	**593,444,765**
Add/(Less):				
Deferred tax assets	(10,427,741)	(4,240,448)	-	-
Regulatory risk reserve	(20,473,530)	(46,425,978)	(14,971,416)	(36,180,585)
Intangible assets	(67,463,343)	(69,189,845)	(60,777,256)	(67,496,079)
Adjusted Tier 1	**672,224,212**	**552,069,319**	**560,627,593**	**489,768,101**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 1	**672,224,212**	**552,069,319**	**472,395,662**	**407,642,335**
Tier 2 capital				
Debt securities issued	242,006,590	237,633,454	242,006,590	237,633,454
Fair value reserve for fair value through other comprehensive income instruments	(8,425,917)	60,106,564	(10,254,885)	59,574,139
Foreign currency translation reserves	34,323,332	18,132,330	-	-
Other reserves	2,871,570	876,762	1,928,791	876,761
Total Tier 2	**270,775,575**	**316,749,110**	**233,680,496**	**298,084,355**
Adjusted Tier 2 capital (33% of Tier 1)	**224,052,330**	**184,004,704**	**186,857,177**	**163,239,708**
50% Investments in subsidiaries	-	-	(88,231,930)	(82,125,766)
Eligible Tier 2	**224,052,330**	**184,004,704**	**98,625,246**	**81,113,942**
Total regulatory capital	**896,276,541**	**736,074,023**	**571,020,909**	**488,756,278**
Risk-weighted assets	**4,248,383,201**	**3,761,490,271**	**3,470,683,794**	**3,007,438,117**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	21.10%	19.57%	16.45%	16.25%
Total tier 1 capital expressed as a percentage of risk-weighted assets	15.82%	14.68%	16.15%	16.29%

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 September 2021**	**Group December 2020**
In thousands of Naira		
Other Assets	1,779,798,345	1,548,891,262
Deferred tax asset	10,427,741	4,240,448
Assets Held for Sale	36,418,914	28,318,467
Goodwill	11,782,171	11,782,171
	1,838,427,172	**1,593,232,348**
Other liabilities	450,963,457	379,416,786
Debt Securities issued	385,381,839	169,160,059
Interest-bearing loans and borrowings	1,109,989,435	791,455,237
Deferred tax liability	20,373,889	14,877,285
Retirement Benefit Obligation	5,181,880	4,941,268
Total liabilities	**1,971,890,501**	**1,359,850,635**

Material revenue and expenses	**Group September 2021**	**Group September 2020**
Interest expense on debt securities issued		
Interest expense on debts	(15,735,750)	(14,383,784)
	(15,735,750)	**(14,383,784)**

7a Operating segments (continued)
Group
September 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	258,249,374	214,345,547	38,100,152	182,430,109	-	693,125,182	693,125,182
Total Revenue	258,249,374	214,345,547	38,100,152	182,430,109	-	693,125,182	693,125,182
Interest Income	147,374,420	179,778,806	30,526,583	113,233,231	-	470,913,040	470,913,040
Interest expense	(93,189,529)	(66,050,175)	(12,784,480)	(31,161,204)	-	(203,185,388)	(203,185,388)
Impairment Losses	(15,970,189)	(16,273,422)	(2,770,749)	(3,908,232)	-	(38,922,593)	(38,922,593)
Profit/(Loss) on ordinary activities before	69,689,523	33,161,497	7,669,103	24,551,451	-	135,071,575	135,071,575
Income tax expense	(2,880,690)	(9,367,887)	(248,041)	(684,700)	-	(13,181,319)	(13,181,319)
Profit after tax	66,808,833	23,793,610	7,421,062	23,866,752		121,890,256	121,890,256
Assets and liabilities:							
Loans and Advances to banks and customers	1,811,862,983	1,856,022,181	158,053,206	215,027,665	-	4,040,966,035	4,040,966,035
Goodwill	-	-	-	-	11,782,171	11,782,171	11,782,171
Tangible segment assets	3,888,581,979	3,850,140,029	326,024,385	463,410,999	-	8,528,157,392	8,528,157,392
Unallocated segment assets	-	-	-	-	1,838,427,171	1,838,427,171	1,838,427,171
Total assets	3,888,581,979	3,850,140,029	326,024,385	463,410,999	1,838,427,171	10,366,584,562	10,366,584,562
Deposits from customers	1,922,156,095	1,335,769,632	501,108,752	2,468,031,026	-	6,227,065,505	6,227,065,505
Segment liabilities	2,814,446,906	1,944,886,526	733,705,935	3,597,668,154	-	9,090,707,520	9,090,707,520
Unallocated segment liabilities	-	-	-	-	476,519,227	476,519,227	476,519,227
Total liabilities	2,814,446,906	1,944,886,526	733,705,935	3,597,668,154	476,519,227	9,567,226,746	9,567,226,746
Net assets	1,074,135,072	1,905,253,503	(407,681,549)	(3,134,257,155)	1,361,907,944	799,357,816	799,357,818

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

September 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	258,525,649	140,890,110	38,808,560	154,562,437	-	592,786,756	592,786,756
Total Revenue	258,525,649	140,890,110	38,808,560	154,562,437	-	592,786,756	592,786,756
Interest Income	146,165,768	107,508,779	25,930,319	95,679,197	-	375,284,064	375,284,064
Interest expense	(73,507,342)	(47,070,525)	(10,324,833)	(33,723,804)	(14,383,784)	(179,010,289)	(179,010,289)
Impairment Losses	(20,624,728)	(10,229,407)	2,406,563	(5,792,847)	-	(34,240,419)	(34,240,419)
taxation	75,341,949	15,393,815	5,575,382	20,311,423	-	116,622,569	116,622,569
Income tax expense	(9,210,367)	(1,934,150)	(713,051)	(2,464,503)	-	(14,322,071)	(14,322,071)
Profit after tax	66,131,582	13,459,665	4,862,331	17,846,920		102,300,498	102,300,498
December 2020							
Assets and liabilities:							
Loans and Advances to banks and customers	1,399,422,890	1,968,269,298	139,723,758	103,512,388	-	3,610,928,334	3,610,928,334
Goodwill	-	-	-	-	11,782,171	11,782,171	11,782,171
Tangible segment assets	2,902,215,495	3,649,593,596	299,874,846	234,831,429	-	7,086,515,366	7,086,515,366
Unallocated segment assets	-	-	-	-	1,593,232,348	1,593,232,348	1,593,232,348
Total assets	2,902,215,495	3,649,593,596	299,874,846	234,831,429	1,593,232,348	8,679,747,715	8,679,747,715
Deposits from customers	1,859,947,453	1,292,933,544	509,183,415	1,925,353,801	-	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	-	7,529,471,129	7,529,471,129
Unallocated segment liabilities	-	-	-	-	399,235,340	399,235,340	399,235,340
Total liabilities	2,490,726,294	1,864,145,915	660,059,818	2,514,539,102	399,235,340	7,928,706,469	7,928,706,469
Net assets	411,489,201	1,785,447,681	(360,184,972)	(2,279,707,673)	1,193,997,009	751,041,246	751,041,246

The line"Derived from external customers" comprises of interest income, fees and commission income, net gain on investment securities and net foreign exchange income. The basis of accounting of transactions among reportable operating segments is on accrual basis.

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

September 2021

In thousands of Naira	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Bargain purchase from acquisition**	**Profit from associate**	**Intercompany elimination**	**Total**
Derived from external customers	546,347,608	97,047,900	43,678,757	687,074,265			3,402,200	690,476,466
					2,640,414	8,303		2,648,716
Total revenue	546,347,608	97,047,900	43,678,757	687,074,265	2,640,414	8,303	3,402,200	693,125,182
Interest income	369,564,894	66,640,683	31,305,262	467,510,839	-		3,402,200	470,913,040
Impairment losses	(33,345,336)	(2,191,986)	(3,385,271)	(38,922,593)	-		-	(38,922,593)
Interest expense	(174,818,269)	(19,553,298)	(5,411,621)	(199,783,188)	-		(3,402,200)	(203,185,388)
Net fee and commission income	66,883,158	13,925,889	8,178,483	88,987,530	-		-	88,987,530
Operating income	371,529,340	77,494,602	38,267,137	487,291,078	-		-	489,939,794
Profit before income tax	79,086,931	32,613,411	23,371,232	135,071,574	-		-	135,071,574
Assets and liabilities:								
Loans and advances to customers and banks	3,362,848,731	226,177,013	782,237,403	4,371,263,146	-		(330,297,110)	4,040,966,036
Total assets	8,681,914,824	1,076,039,639	1,256,062,093	11,014,016,557	-		(647,431,991)	10,366,584,562
Deposit from customers	5,135,046,940	698,726,795	393,291,771	6,227,065,506	-		-	6,227,065,506
Total liabilities	8,053,864,652	877,369,802	1,090,278,304	10,021,512,758	-		(454,286,003)	9,567,226,755
Net assets	628,050,172	198,669,838	165,783,789	992,503,798	-		(193,145,995)	799,357,803

September 2020	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Discontinued Operations**	**Intercompany elimination**	**Total**
Derived from external customers	495,251,681	67,459,023	36,088,085	598,798,789	-	(6,012,034)	592,786,755
Total revenue	495,251,681	67,459,023	36,088,085	598,798,789	-	(6,012,034)	592,786,755
Interest income	306,223,350	46,920,851	28,151,894	381,296,095	-	(6,012,034)	375,284,061
Impairment losses	(31,456,551)	(1,369,377)	(1,414,494)	(34,240,422)	-	-	(34,240,422)
Interest expense	(158,028,620)	(18,549,002)	(8,444,701)	(185,022,323)	-	6,012,034	(179,010,289)
Net fee and commission income	57,581,874	15,201,788	(941,699)	71,841,963	-		71,841,963
Operating income	337,223,063	48,910,021	27,643,383	413,776,466	-	-	413,776,466
Profit before income tax	74,742,445	24,004,716	17,875,408	116,622,568	-	-	116,622,568
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	7,624,979,718	642,141,020	937,200,529	9,204,321,267	-	(524,573,550)	8,679,747,714
Deposit from customers	4,832,744,495	421,675,525	332,998,195	5,587,418,214	-	-	5,587,418,214
Total liabilities	6,971,084,052	512,458,350	802,014,849	8,285,557,251	-	(356,850,777)	7,928,706,476
Net assets	653,895,666	129,682,670	135,185,680	918,764,016	-	(167,722,777)	751,041,239

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the Group's total revenue in the period ended 30 September 2021 and for the period ended 31 December 2020.

8 Interest income

In thousands of Naira	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Interest income				
Cash and balances with banks	6,588,657	8,473,690	3,182,502	6,567,155
Loans and advances to banks	11,460,271	11,399,266	3,179,134	6,628,776
Loans and advances to customers	261,095,282	236,611,373	213,397,795	201,722,156
Investment securities				
-Financial assets at FVOCI	88,459,431	37,326,554	63,847,428	19,841,762
-Financial assets at amortised cost	27,583,604	23,860,099	21,483,436	19,522,063
	395,187,245	317,670,982	305,090,297	254,281,911
-Financial assets at FVPL	75,725,795	57,613,081	64,474,598	51,941,439
	470,913,041	**375,284,063**	**369,564,895**	**306,223,349**
Interest expense				
Deposit from financial institutions	48,346,411	48,712,814	45,975,620	48,910,288
Deposit from customers	105,724,294	93,621,421	81,710,808	74,758,675
Debt securities issued	15,735,750	14,383,784	15,595,834	14,383,784
Lease liabilities	979,880	922,385	683,749	617,957
Interest bearing borrowings and other borrowed funds	32,399,053	21,369,885	30,852,258	19,357,916
	203,185,388	**179,010,289**	**174,818,269**	**158,028,620**
Net interest income	**267,727,652**	**196,273,774**	**194,746,626**	**148,194,730**

Interest income for the period ended 30 September 2021 includes interest accrued on impaired financial assets of Group: N1.533Bn (30 September 2020: N4.53Bn) and Bank: N1.53Bn (30 September 2020: N4.06Bn).

The Group experienced an increase in interest income attributable to rises in the yield of securities and increased level of trading activities during the period which is a strategy to stimulate the economy post the Covid wave experienced last period

The increase in Loans can be attributed to the re-evaluation of the loan books to ensure that the pricing of these loans are reflective of the current economic situations seeing that several moratoriums and waivers were implemented in the preceding period.

Interest expense for the Group experienced marginal decrease in line with the Group's drive to pursue low funding costs to drive down cost to deposit ratio

The increase in interest income is attributable to the increase in value of loans and advances to customers and repricing.

9 Net impairment charge on financial assets

In thousands of Naira	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Allowance for impairment on loans and advance to banks (note 22)	(757,993)	(2,295,726)	(764,079)	(844,769)
Allowance for impairment on loans and advance to customers (note 23)	(36,692,464)	(30,697,297)	(31,596,641)	(29,381,611)
(Write back) /Allowance on impairment on financial assets in other assets (note 26)	14,633	(1,735,277)	302,131	(1,727,920)
Allowance/(Write-back) for impairment on off balance sheet items (note 34c)	(259,783)	800,376	(259,783)	778,839
Allowance for impairment on money market placement (note 18b)	(115,873)	(3,822)	(107,981)	304
Allowance for impairment on investment securities	(1,081,905)	(308,672)	(889,777)	(281,393)
Allowance for impairment on pledged assets	(29,206)	-	(29,206)	-
	(38,922,593)	(34,240,420)	(33,345,336)	(31,456,551)

10 (a) Fee and commission income

In thousands of Naira	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Credit related fees and commissions	34,373,609	28,358,596	23,565,707	20,376,377
Account maintenance charge and handling commission	16,219,418	10,746,210	15,220,691	10,366,566
Commission on bills and letters of credit	3,168,066	1,501,469	3,027,233	1,327,702
Commissions on collections	1,036,911	617,651	269,396	444,104
Commission on other financial services	9,287,936	5,393,124	6,639,654	3,376,337
Commission on foreign currency denominated transactions	2,858,146	1,984,535	597,234	842,280
Channels and other E-business income	46,252,131	38,798,882	40,161,183	36,034,797
Retail account charges	633,744	483,017	411,158	318,014
	113,829,962	**87,883,483**	**89,892,257**	**73,086,179**

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

	Group	Group	Bank	Bank
	September 2021	September 2020	September 2021	September 2020
Point in Time	107,676,513	81,394,326	87,621,702	71,552,955
Over Time	6,153,450	6,489,157	2,270,555	1,533,223
	113,829,962	**87,883,483**	**89,892,257**	**73,086,179**

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	September 2021	September 2020	September 2021	September 2020
Bank and electronic transfer charges	3,541,332	2,625,539	2,791,955	2,088,352
E-banking expense	21,301,101	13,415,981	20,217,144	13,415,951
	24,842,432	**16,041,520**	**23,009,099**	**15,504,304**

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 (loss)/gain on financial instruments at fair value

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

In thousands of Naira	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Trading gains on Fixed income securities	77,824,578	27,082,007	70,665,561	22,879,351
Fair value (loss)/gains on Fixed income securities	(10,752,647)	-	(9,561,616)	-
Fair value (loss)/gains on non-hedging derivatives	(82,237,161)	43,104,272	(82,237,161)	42,805,805
Fair value gains on equity investments	23,741,961	13,357,922	23,741,962	13,357,923
Total Net gain on financial instruments at fair value through profit or loss	**8,576,730**	**83,544,200**	**2,608,745**	**79,043,078**

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

In thousands of Naira	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Debt instruments at FVOCI				
Fixed income securities	(10,356,678)	648,547	(8,703,091)	544,998
	(10,356,678)	**648,547**	**(8,703,091)**	**544,998**
Total	**(1,779,947)**	**84,192,747**	**(6,094,345)**	**79,588,076**

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 September 2021	Group September 2020	Bank September 2021	Bank September 2020
Realised gain	96,104,163	-	87,379,234	-
Foreign exchange Gain/(loss) on items not hedged	(9,297,665)	-	(9,297,665)	-
Foreign exchange trading loss	-	63,983,144	-	55,546,815
Unrealised foreign exchange loss on revaluation	-	(51,345,833)	-	(50,725,260)
Total Net Foreign Exchange Loss	**86,806,498**	**12,637,311**	**78,081,568**	**4,821,555**

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

Net loss on fair value hedge (Hedging ineffectiveness)	(1,116,651)	-	(1,116,651)	-
	(1,116,651)	**-**	**(1,116,651)**	**-**

Sep-21 **Fair value hedges**	**Average strike price** **₦**	**Nominal amount of hedging instrument** **₦'000**	**Carrying amount of hedging instrument (Assets)** **₦'000**	**Changes in fair value used for calculating hedge ineffectiveness** **₦'000**
Hedging instrument	386.88	1,098,850,000	150,833,570	33,243,273

*The liabilities are interest bearing loans and deposits from financial institutions denominated in USD.
The hedging instrument is recognised within derivative financial assets on the statement of financial position.

	Carrying amount of hedged item		**Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item**		**Line item in the statement of financial position where the hedging instrument is located**
	Assets	**Liabilities**	**Assets**	**Liabilities**	
Sep-21	**₦'000**	**₦'000**	**₦'000**	**₦'000**	
Fair value hedges					
Foreign exchange risk on foreign currency loan - Interest bearing loan	-	543,397,324	-	7,382,102	Interest bearing borrowings
Foreign exchange risk on foreign currency loan - Deposit from financial institution	-	763,060,563	-	30,750,823	Deposit from financial institution

Sep 2021	**Hedge ratio**	**Change in the value of the hedging instrument recognised in other comprehensive income**	**Hedge ineffectiveness recognised in profit or loss**	**Line item in profit or loss (that includes hedge ineffectiveness)**	**Amount reclassified from the cash flow hedge reserve to profit or loss**
Fair value hedge		₦'000	₦'000		
Hedging reserve - Fair value changes in hedging instrument (forward element)	90%	33,243,273	(1,116,651)	Net loss on fair value hedge (Hedging ineffectiveness)	-

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

Sep 2021	3 months	6 months	12 months	5 years	More than 5 years
Fair value hedging					
Hedging assets	-	127,434,493	9,781,297	13,617,780	-

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 September 2021	Group September 2020	Bank September 2021	Bank September 2020
Dividends on equity securities	2,625,898	2,319,994	2,625,897	2,319,994
Gain on disposal of property and equipment	-	2,449,368	-	2,444,098
Rental income	1,587	4,639	-	-
Bad debt recovered	9,173,010	24,785,265	8,955,528	24,680,091
Cash management charges	668,071	589,549	667,990	589,549
Income from agency and brokerage	1,385,004	151,073	372,958	151,068
Income from asset management	440,195	1,064,104	440,195	1,064,104
Income from other investments	4,814,918	1,136,151	981,862	159,488
Income from other financial services	2,714,881	289,008	1,975,452	124,129
	21,823,565	**32,789,151**	**16,019,885**	**31,532,521**

Included in income from agency and brokerage is an amount of N372.96Mn (Dec 2020: N30.65m) representing the referral commission earned from bancassurance products. The rental income of N1.59 million arises from arrangements where the Group is a lessor.

	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Point in Time	21,822,718	32,782,425	16,019,884	31,532,521
Over time	847	6,726	-	-
	21,823,565	**32,789,151**	**16,019,884**	**31,532,521**

14 Personnel expenses

In thousands of Naira	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Wages and salaries	68,206,309	53,822,927	43,825,684	40,050,220
Increase in defined benefit obligation (see note 37 (a) (i))	565,231	634,827	565,231	634,827
Contributions to defined contribution plans	1,803,806	1,765,561	1,031,076	1,166,403
Restricted share performance plan (b)	1,253,801	870,873	1,052,024	674,846
	71,829,146	**57,094,189**	**46,474,014**	**42,526,297**

15 Other operating expenses

In thousands of Naira	Group September 2021	Group September 2020	Bank September 2021	Bank September 2020
Premises and equipment costs	13,536,033	10,564,427	10,273,991	9,201,797
Professional fees	8,495,215	7,439,693	4,158,934	5,905,397
Insurance	1,180,362	911,550	481,725	636,761
Business travel expenses	6,898,412	6,160,465	6,434,032	5,802,009
Asset Management Corporation of Nigeria (AMCON) surcharge	41,508,977	35,435,426	41,508,977	35,435,426
Bank charges	3,377,316	4,037,254	2,198,028	3,151,615
Deposit insurance premium	15,148,736	11,393,702	14,838,806	11,171,222
Auditor's remuneration	921,175	1,033,023	322,500	790,392
Administrative expenses	20,109,580	18,625,984	20,335,061	17,891,683
Board expenses	1,053,084	921,320	652,581	645,843
Communication expenses	3,965,196	4,186,839	2,359,107	3,418,346
IT and e-business expenses	27,251,561	15,037,627	22,310,324	12,634,985
Outsourcing costs	14,133,533	15,697,262	13,017,754	14,760,472
Advertisements and marketing expenses	5,701,846	6,773,753	4,753,359	6,312,112
Recruitment and training	3,957,200	5,622,822	3,629,172	5,433,404
Events, charities and sponsorship	5,439,422	6,940,864	5,172,900	6,816,343
Periodicals and Subscriptions	971,361	444,696	566,898	185,885
Security expenses	3,927,796	3,829,125	3,080,909	3,426,281
Loss on disposal of property and equipment	6,547	-	37,768	-
Modification loss on loans	3,123,582	-	3,123,582	-
Cash processing and management cost	2,368,394	4,027,626	2,127,167	3,835,442
Stationeries, postage and printing	1,618,905	1,512,274	1,211,160	1,164,398
Office provisions and entertainment	354,524	414,375	178,765	212,521
Rent expenses	3,841,795	2,833,182	2,413,741	1,501,278
	188,890,551	**163,843,294**	**165,187,242**	**150,333,613**

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 September 2021	Group September 2020	Bank September 2021	Bank September 2020
Profit for the period from continuing operations	120,008,164	100,899,557	73,144,942	65,163,354
Weighted average number of ordinary shares in issue	35,545,226	35,545,226	35,545,226	35,545,226
Weighted average number of treasury Shares	826,685	729,103	-	-
	34,718,541	34,816,123	35,545,226	35,545,226
In kobo per share				
Basic earnings per share from continuing operations	346	290	206	183

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 September 2021	Group September 2020	Bank September 2021	Bank September 2020
Profit for the period from continuing operations	120,008,164	100,899,557	73,144,942	65,163,354
Weighted average number of Total shares in issue	34,718,541	34,816,123	35,545,226	35,545,226
Weighted average number of treasury shares in issue	826,685	729,103	-	-
Weighted average number of ordinary shares in issue	35,545,226	35,545,226	35,545,226	35,545,226
In kobo per share				
Diluted earnings per share from continuing operations	338	284	206	183

18 Cash and balances with banks

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Cash on hand and balances with banks (see note (i))	1,055,182,331	536,708,368	831,744,457	489,653,107
Unrestricted balances with central banks	76,011,029	51,127,105	4,704,515	13,639,189
Money market placements	150,793,656	89,783,183	25,489,221	40,095,277
Other deposits with central banks (see note (ii)	117,449,587	46,459,022	117,449,587	46,459,022
	1,399,436,603	**724,077,678**	**979,387,780**	**589,846,595**
ECL on Placements	(320,731)	(204,858)	(142,137)	(34,156)
	1,399,115,872	**723,872,820**	**979,245,643**	**589,812,440**

(i) Included in cash on hand and balances with banks is an amount of N52.93Bn (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 N117.45bn represents the nominal value of outstanding forward contracts entered on behalf of customers, with the Central Bank of Nigeria.

Movement in ECL on Placements

	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Opening balance at beginning of the period	204,858	91,446	34,156	1,275
-Charge for the period	115,873	113,412	107,981	32,881
Closing balance	**320,731**	**204,858**	**142,137**	**34,156**

19 Investment under management

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Relating to unclaimed dividends:				
Government bonds	4,884,375	3,882,771	4,884,375	3,882,771
Placements	7,415,010	6,386,464	7,415,010	6,386,464
Commercial paper	6,258,213	4,132,806	6,258,213	4,132,806
Nigerian treasury bills	4,987,447	6,156,666	4,987,447	6,156,666
Mutual funds	5,221,004	7,109,072	5,221,004	7,109,072
Eurobonds	2,860,007	2,783,687	2,860,007	2,783,687
	31,626,056	**30,451,466**	**31,626,056**	**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. An impairment test was carried out on the assets under management and the resulting impairments were considered immaterial.

20 Non pledged trading assets

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Government bonds	83,789,734	91,841,202	1,518,667	12,488,649
Eurobonds	11,559	74,615	11,559	74,615
Treasury bills	191,584,812	116,036,126	171,614,697	97,719,848
	275,386,106	**207,951,943**	**173,144,924**	**110,283,112**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2021		December 2020	
Group				
Foreign exchange derivatives				
Total derivative assets	**1,396,543,117**	**164,376,938**	**1,132,096,948**	**251,112,745**
Non-deliverable future contracts	-	2,416,837	-	9,126,853
Forward and swap contracts	1,396,543,117	161,960,101	1,132,096,948	241,985,892
Total derivative liabilities	**195,528,438**	**(8,226,667)**	**301,693,689**	**(20,880,529)**
Non-deliverable future contracts	-	(2,416,629)	-	(9,126,851)
Forward and swap contracts	195,528,438	(5,810,038)	301,693,689	(11,753,678)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	September 2021		December 2020	
Bank				
Foreign exchange derivatives				
Total derivative assets	**1,354,417,449**	**159,996,471**	**1,089,971,280**	**244,564,046**
Non-deliverable future contracts	-	2,416,837	-	9,126,853
Forward and swap contracts	1,354,417,449	157,579,634	1,089,971,280	235,437,193
Total derivative liabilities	**121,731,009**	**(7,864,358)**	**227,896,259**	**(20,775,722)**
Non-deliverable future contracts	-	(2,416,630)	-	(9,126,852)
Forward and swap contracts	121,731,009	(5,447,728)	227,896,259	(11,648,870)

	September 2021 Fair Value	
Derivative Assets	**Group**	**Bank**
Current (Hedging Instruments)	151,988,050	150,833,570
Non- Current (Hedging Instruments)	-	-
Current (Non-Hedging Instruments)	4,162,221	-
Non- Current (Non-Hedging Instruments)	-	-
Derivative Liabilities		
Current (Non-Hedging Instruments)	-	1,298,544
Non- Current (Non-Hedging Instruments)	-	-
Current (Non-Hedging Instruments)	-	-
Non- Current (Non-Hedging Instruments)	-	-

Derivative financial instruments consist of forward, swap and future contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates of between 30 days and a year. Derivative contracts are valued with reference to data obtained from sources such as Bloomberg and FMDQ.

The movement in fair value is as a result of a depreciation of the reporting currency of the Group (Naira) within the period and volume of transactions.

22 Loans and advances to banks

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Loans and advances to banks	296,170,599	393,473,191	252,530,734	232,086,898
Less allowance for impairment losses	(1,232,497)	(651,884)	(1,062,700)	(298,622)
	294,938,103	**392,821,307**	**251,468,034**	**231,788,276**

Group

Impairment allowance for loans and advances to banks

In thousands of Naira	September 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade:				
Investment	1,147,305	-	-	1,147,305
Standard grade	18,514	-	-	18,514
Non Investment	-	-	66,679	66,679
Total	**1,165,820**	**-**	**66,679**	**1,232,498**

	September 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	742,516	-	15,478	757,993
Amounts written off	-	-	-	-
Foreign exchange revaluation	(177,380)	-	-	(177,380)
At 30 September 2021	**1,164,583**	**-**	**67,913**	**1,232,497**

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	-	-	599,261
Standard grade	188	-	-	188
Non Investment	-	-	52,435	52,435
Total	**599,449**	**-**	**52,435**	**651,884**

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

Bank

Loans to banks

In thousands of Naira	September 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total ECL**
Internal rating grade:				
Investment	977,327	-	-	977,327
Standard grade	-	-	66,826	66,826
Non Investment	18,547	-	-	18,547
Individually impaired				-
Total	**995,874**	**-**	**66,826**	**1,062,700**

	September 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	749,754	-	14,325	764,079
At 30 September 2021	**995,874**	**-**	**66,826**	**1,062,700**

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
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**	**298,621**

23 Loans and advances to customers

a Group

	September 2021
In thousands of Naira	
Loans to individuals	
Retail Exposures	351,048,021
Less allowance for expected credit loss	(12,010,157)
	339,037,864
Loans to corporate entities and other organizations	
Non-Retail Exposures	3,505,235,500
Less allowance for expected credit loss	(98,245,430)
	3,406,990,070
Loans and advances to customers (Individual and corporate entities and other organizations)	3,856,283,520
Less allowance for expected credit loss	(110,255,587)
	3,746,027,933

Management overlays are made to the impairment models to factor in additional facts that are not fully reflected in the impairment model at period end. These overlays are incorporated into the future model developments where applicable.

ECL allowance on loans and advances to customers

Loans to Individuals
In thousands of Naira

	September 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment				-
Standard grade	6,270,001	528,659	-	6,798,659
Non-Investment	6,469	-	5,205,028	5,211,497
Sub-standard grade	-	-	-	-
Total	**6,276,470**	**528,659**	**5,205,028**	**12,010,156**

	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:				
Total net P&L charge during the period	3,903,606	(8,458,411)	12,378,651	7,823,846
Amounts written off	-	-	-	-
Translation difference	143,904	9,502,457	(9,472,105)	174,256
At 30 September 2021	**4,677,245**	**1,805,091**	**5,527,822**	**12,010,158**

Loans to corporate entities and other organizations
In thousands of Naira

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	20,583,719	379,953	-	20,963,672
Standard grade	29,953,733	13,596,452	12,681,182	56,231,367
Non-Investment	-	4,175	21,046,216	21,050,391
Total	**50,537,453**	**13,980,579**	**33,727,398**	**98,245,431**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	31,989,893	58,230,704	54,829,504	145,050,100
- Charge for the period:				-
Total net P&L charge during the period	14,403,621	(31,210,051)	45,675,048	28,868,618
Amounts written off	-	-	(77,379,424)	(77,379,424)
Translation difference	197,980	(1,124,964)	2,633,120	1,706,136
At 30 September 2021	**46,591,494**	**25,895,689**	**25,758,248**	**98,245,432**

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
	3,157,857,287
Less Alowance for ECL/Impairment losses	(145,042,183)
	3,012,815,104
Loans and advances to customers (Individual and corporate entities and other organizations)	3,367,161,264
Less Allowance for ECL/Impairment losses	(149,054,237)
	3,218,107,027

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
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)
Foreign exchange revaluation	(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	15,886,487	4,326,734	-	20,213,221
Standard grade	16,103,406	45,509,751	-	61,613,157
Non-Investment	-	8,394,219	54,829,504	63,223,723
Total	**31,989,893**	**58,230,704**	**54,829,504**	**145,050,101**

	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
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	43,638,394	57,954,683
Amounts written off	-	-	(102,338,382)	(102,338,382)
Translation difference	2,326,193	1,282,802	(389,449)	3,219,546
At 31 December 2020	**31,989,893**	**58,230,704**	**54,829,505**	**145,050,100**

23 Loans and advances to customers

b Bank

In thousands of Naira	September 2021
Loans to individuals	
Retail Exposures	177,470,580
Less Allowance for Expected credit loss	(10,544,133)
	166,926,447
Loans to corporate entities and other organizations	
Non-Retail Exposures	3,007,063,708
Less Allowance for Expected credit loss	(62,609,459)
	2,944,454,250
Loans and advances to customers (Individual and corporate entities and other organizations)	3,184,534,289
Less Allowance for Expected credit loss	(73,153,592)
	3,111,380,697

ECL allowance on loans and advances to customers

Loans to Individuals

In thousands of Naira	September 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	-	-	-	-
Standard grade	5,504,651	464,129	-	5,968,780
Non-Investment	-	5,679	4,569,674	4,575,355
Total	**5,504,651**	**469,808**	**4,569,674**	**10,544,134**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	569,710	440,920	1,820,964	2,831,594
- Charge for the period:				
Total net P&L charge during the period	4,094,314	598,843	3,187,022	7,880,178
Amounts written off	-	-	(167,638)	(167,638)
At 30 September 2021	**4,664,024**	**1,039,762**	**4,840,347**	**10,544,134**

Loans to corporate entities and other organizations

In thousands of Naira	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade				
Investment	13,117,511	242,135	-	13,359,646
Standard grade	19,088,796	8,664,693	8,081,414	35,834,903
Non-Investment	-	2,661	13,412,249	13,414,910
Sub-standard grade				-
Total	**32,206,308**	**8,909,489**	**21,493,662**	**62,609,459**

	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2021	30,049,135	50,547,709	35,614,100	116,210,945
- Charge for the period:				
Total net P&L charge during the period	(11,093,332)	18,502,725	16,307,069	23,716,462
Amounts written off			(77,193,552)	(77,193,552)
Foreign exchange revaluation	-	-	-	-
At 30 September 2021	**18,955,804**	**69,050,433**	**(25,272,383)**	**62,733,853**

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
	108,746,993
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
	2,829,171,277
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	569,710	431,507	-	1,001,217
Non-Investment	-	9,413	1,820,964	1,830,377
Total	**569,710**	**440,920**	**1,820,964**	**2,831,594**

	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
Transfers to Stage 1	64,054	(62,854)	(1,201)	-
Transfers to Stage 2	(40,354)	110,913	(70,559)	-
Transfers to Stage 3	(26,014)	(1,849,852)	1,875,867	-
Total net P&L charge during the year	(60,790)	1,125,492	104,078	1,168,779
Amounts written off	-	-	(3,114,129)	(3,114,129)
At 31 December 2020	**569,710**	**440,920**	**1,820,964**	**2,831,594**

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	18,388,166	107,357,776	50,476,533	176,222,475
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 year	2,799,880	286,524	33,246,089	36,332,493
Amounts written off	-	-	(91,705,461)	(91,705,461)
Foreign exchange revaluation	(688,055)	(214,427)	(3,736,079)	(4,638,561)
At 31 December 2020	**30,049,136**	**50,547,709**	**35,614,100**	**116,210,945**

Modified loans:

	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Amortized Cost before modification	12,771,046	-	12,771,046	-
Modification gain/(loss)	(3,123,582)	-	(3,123,582)	-
Amortized Cost after modication	**9,647,464**	**-**	**9,647,464**	**-**

24 Pledged assets

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
-Financial instruments at FVOCI				
Treasury bills	52,806,599	999,521	52,806,599	999,521
Government bonds	422,160	2,617,080	422,160	2,617,080
Promissory note	-	-	-	-
	53,228,759	3,616,601	53,228,759	3,616,601
-Financial instruments at amortised cost				
Treasury bills	186,725,752	98,097,771	186,725,752	98,097,771
Government bonds	40,717,034	41,833,930	40,717,034	41,833,930
Promissory note	44,605,343	-	44,605,343	-
	272,048,129	139,931,701	272,048,129	139,931,701
ECL on financial assets at amortized cost	(31,809)	(9,370)	(31,809)	(9,370)
	272,016,320	139,922,331	272,016,320	139,922,331
-Financial instruments at FVPL				
Treasury bills	16,713,889	85,006,603	16,713,889	85,006,603
Government bonds	-	-	-	-
Promissory note	-	-	-	-
	16,713,889	85,006,603	16,713,889	85,006,603
	341,958,969	**228,545,535**	**341,958,969**	**228,545,535**

The Financial instruments at FVPL have been designated at fair value through profit or loss by the Group

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

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Opening balance	431	-	431	-
Additional allowance	6,767	431	6,767	431
Allowance written back	-	-	-	-
Balance, end of period	**7,198**	**431**	**7,198**	**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 September 2021	Group December 2020	Bank September 2021	Bank December 2020
Opening balance	9,370	-	9,370	-
Additional allowance	22,439	9,370	22,439	9,370
Allowance written back	-	-	-	-
Balance, end of period	**31,809**	**9,370**	**31,809**	**9,370**

The related liability for assets pledged as collateral include:				
Central Bank of Nigeria (CBN)	264,407,978	265,728,206	264,407,978	265,728,206
Bank of Industry (BOI)	19,973,864	43,116,940	19,973,864	43,116,940
	284,381,842	**308,845,146**	**284,381,842**	**308,845,146**

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

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. The pledges have been made in the normal course of business of the Bank. In the event of default, the pledgee has the right to realise the pledged assets. This disclosure in 24(i) is inclusive of only liabilities that actual cash has been received for.

25 Investment securities

At fair value through profit or loss *In thousands of Naira*	**Group September 2021**	**Group December 2020**	**Bank September 2021**	**Bank December 2020**
Equity securities at fair value through profit or loss (see note (i) below)	165,232,269	141,765,576	164,960,690	141,735,053

At fair value through other comprehensive income *In thousands of Naira*	**September 2021**	**December 2020**	**September 2021**	**December 2020**
Debt securities				
Government bonds	184,655,672	150,094,494	24,025,490	44,296,019
Treasury bills	521,978,661	748,230,225	320,673,595	608,866,687
Eurobonds	20,590,070	22,032,870	14,192,162	15,141,127
Corporate bonds	5,156,158	15,745,714	5,156,158	15,745,714
State government bonds	29,969,565	31,741,795	29,969,565	31,741,795
Promissory notes	290,321	80,033,790	290,322	80,033,790
	762,640,446	1,047,878,888	394,307,292	795,825,132
Changes in fair value of FVOCI instruments	(62,053,772)	57,683,203	(69,690,979)	58,444,389
Changes in allowance on FVOCI financial instruments	(10,703)	301,003	(138,044)	294,278
Net fair value changes in FVOCI instruments	**(62,064,474)**	**57,984,206**	**(69,829,024)**	**58,738,667**

At amortised cost *In thousands of Naira*				
Debt securities				
Treasury bills	674,750,240	237,109,445	578,801,235	194,302,056
Total return notes	-	45,527,717	-	45,527,717
Federal government bonds	335,987,330	271,536,033	290,889,299	245,366,108
State government bonds	7,844,293	4,933,952	7,844,293	4,933,952
FGN Promissory notes	19,503,653	427,536	19,503,654	427,537
Corporate bonds	7,625,222	472,288	7,625,222	472,288
Eurobonds	572,748	497,726	-	-
Gross amount	1,046,283,484	560,504,699	904,663,703	491,029,658
ECL on financial assets at amortized cost	(1,224,816)	(600,016)	(1,105,717)	(550,186)
Carrying amount	1,045,058,670	559,904,681	903,557,986	490,479,472
Total	**1,972,931,383**	**1,749,549,145**	**1,462,825,964**	**1,428,039,657**

ECL allowance on investments at fair value through other comprehensive income

In thousands of Naira	**Group September 2021**	**Group December 2020**	**Bank September 2021**	**Bank December 2020**
Opening balance at 1 January	412,099	111,096	357,990	63,712
Additional allowance	-	301,003	-	294,278
Allowance written back	(10,701)	-	(138,043)	-
Balance, end of period	**401,397**	**412,099**	**219,946**	**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 September 2021**	**Group December 2020**	**Bank September 2021**	**Bank December 2020**
Opening balance at 1 January 2021/1 Jan 2020	600,016	559,223	550,186	534,188
Acquired from business combination	4,482	-	-	-
-Charge for the year	1,092,605	42,672	1,027,820	17,877
Allowance written back	-	(1,879)	-	(1,879)
Revaluation difference	-	-	-	-
Write off	(472,288)	-	(472,288)	-
Balance, end of period	**1,224,817**	**600,016**	**1,105,718**	**550,186**

(i) Equity securities at FVPL (carrying amount)

Central securities clearing system limited	6,187,500	5,643,750	6,187,500	5,643,750
Nigeria interbank settlement system plc.	15,045,440	7,802,112	15,045,440	7,802,112
Unified payment services limited	5,538,179	4,058,931	5,538,179	4,058,931
Africa finance corporation	125,504,489	114,520,852	125,504,489	114,520,852
E-Tranzact	-	534,682	-	534,682
African export-import bank	67,422	49,851	67,422	49,851
FMDQ Holdings	6,392,677	3,332,927	6,392,677	3,332,927
Nigerian mortage refinance company plc.	291,111	323,333	291,111	323,333
Credit reference company	1,002,167	792,743	1,002,167	792,743
NG Clearing Limited	600,686	213,223	600,686	213,223
Capital Alliance Equity Fund	4,281,018	4,412,649	4,281,018	4,412,649
Shared agent network expansion facility	50,000	50,000	50,000	50,000
Others	271,581	30,523	-	-
	165,232,269	**141,765,576**	**164,960,688**	**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 period end- stage classificaton.

Group — **September 2021**

At fair value through other comprehensive income
In thousands of Naira

Debt securities	Fair value	ECL
Government bonds	184,655,672	45,001
Treasury bills	521,978,661	235,596
Eurobonds	20,590,070	2,998
Corporate bonds	5,156,158	8,391
State government bonds	29,969,565	109,329
Promissory notes	290,321	82
Total	**762,640,446**	**401,398**

At amortised cost
In thousands of Naira

Debt securities	Amortized cost	ECL	Carrying Amount
Government bonds	335,987,330	72,003	335,915,327
Treasury bills	674,750,240	57,427	674,692,813
Total return notes	-	-	-
Eurobonds	572,746	111,639	461,106
Corporate bonds	7,625,222	949,719	6,675,503
State government bonds	7,844,293	30,492	7,813,800
FGN Promissory notes	19,503,653	3,536	19,500,117
Total	**1,046,283,486**	**1,224,817**	**1,045,058,669**

Bank

At fair value through other comprehensive income
In thousands of Naira

Debt securities	Fair value	ECL
Government bonds	24,025,490	45,001
Treasury bills	320,673,595	54,144
Eurobonds	14,192,162	2,998
Corporate bonds	5,156,158	8,391
State government bonds	29,969,565	109,329
Promissory notes	290,322	82
Total	**394,307,292**	**219,946**

At amortised cost
In thousands of Naira

Debt securities	Amortized cost	ECL	Carrying Amount
Government bonds	290,889,299	64,543	290,824,756
Treasury bills	578,801,235	57,427	578,743,807
Total return notes	-	-	-
Eurobonds	-	-	-
Corporate bonds	7,625,222	949,719	6,675,503
State government bonds	7,844,293	30,492	7,813,800
Promissory notes	19,503,654	3,536	19,500,118
Total	**904,663,703**	**1,105,717**	**903,557,986**

Group

Debt instruments at fair value through other comprehensive income — **September 2021**
In thousands of Naira

Internal rating grade	stage 1	Stage 2	Stage 3	Total
Investment	371,515,014	-	-	371,515,014
Standard grade	391,125,433	-	-	391,125,433
Non-Investment	-	-	-	-
Total	**762,640,446**	**-**	**-**	**762,640,446**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	412,099	-	-	412,099
- Charge for the period		-	-	-
Write Back	(10,701)	-	-	(10,701)
At 30 September 2021	**401,397**	**-**	**-**	**401,397**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Investment	141,047,036	-	-	141,047,036
Standard grade	896,845,087	-	-	896,845,087
Non-Investment	193,392	8,197,968	-	8,391,360
Total	**1,038,085,515**	**8,197,968**	**-**	**1,046,283,483**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	127,729	-	472,288	600,016
Acquired from business combination	4,482	-	-	4,482
- Charge for the period	142,887	949,719	-	1,092,605
Amounts written off	-	-	(472,288)	(472,288)
Foreign exchange adjustments	-	-	-	-
Write back	-	-	-	-
At 30 September 2021	**275,098**	**949,719**	**-**	**1,224,817**

September 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	3,181,859	-	-	3,181,859
Standard grade	391,125,433	-	-	391,125,433
Non-Investment	-	-	-	-
Total	**394,307,292**	**-**	**-**	**394,307,292**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2021	357,990	-	-	357,990
- Charge for the period	-	-	-	-
Write back	(138,043)	-	-	(138,043)
At 30 September 2021	**219,946**	**-**	**-**	**219,946**

Financial instruments at amortised cost
In thousands of Naira

	stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Investment	-	-	-	(1)
Standard grade	896,845,087	-	-	896,845,087
Non-Investment	193,392	7,625,222	-	7,818,614
Total	**897,038,478**	**7,625,222**	**-**	**904,663,700**

	stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2020	77,898	-	472,288	550,185
- Charge for the period	78,100	949,719	-	1,027,819
Write back	-	-	(472,288)	(472,288)
At 30 September 2021	**155,998**	**949,719**	**-**	**1,105,718**

26 Restricted deposits and other assets

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Financial assets				
Accounts receivable	200,186,982	120,801,111	172,629,253	104,210,867
Receivable on E-business channels	143,272,431	78,265,416	141,535,196	77,297,389
Deposit for investment in AGSMEIS (see note (a)below)	17,365,456	13,363,490	17,365,456	13,363,490
Subscription for investment (see note (b)below)	14,016,529	7,306,029	14,016,528	7,306,028
Restricted deposits with central banks (see note (c)below)	1,370,645,888	1,308,729,111	1,328,335,797	1,275,279,265
	1,745,487,287	1,528,465,157	1,673,882,232	1,477,457,039
Non-financial assets				
Prepayments	33,787,629	22,858,594	28,132,440	15,835,561
Inventory (see note (d)below)	3,660,180	3,717,594	3,090,098	3,316,020
	37,447,810	26,576,188	31,222,538	19,151,581
Gross other assets	1,782,935,096	1,555,041,344	1,705,104,769	1,496,608,620
Allowance for impairment on other assets				
Financial assets	(2,390,637)	(5,254,712)	(1,984,295)	(5,136,728)
Non-financial assets	(746,114)	(895,371)	(746,114)	(838,833)
	(3,136,751)	(6,150,083)	(2,730,409)	(5,975,562)
	1,779,798,345	**1,548,891,262**	**1,702,374,359**	**1,490,633,059**
Classified as:				
Current	378,516,584	220,388,002	343,402,693	195,523,102
Non current	1,401,281,761	1,328,503,260	1,358,971,666	1,295,109,955
	1,779,798,345	**1,548,891,262**	**1,702,374,359**	**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)	-	(25,001)
Allowance written off	(2,275,717)	-	(2,275,717)	-
-Transalation difference	(404,006)	-	-	-
Balance as at 31 December 2020/1 January 2021	6,150,083	-	5,975,560	-
ECL allowance for the period:				
- Additional provision	-	-	-	-
- Writeback	(14,632)	-	(302,131)	-
Net ECL allowance	(14,632)	-	(302,131)	-
Acquired from business combination	26,430	-	-	-
Allowance written back	-	-	-	-
- Write Off	(2,943,019)	-	(2,943,019)	-
-Translation difference	(82,111)	-	-	-
Balance as at 30 September 2021	3,136,751	-	2,730,409	-

(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.

27a Investments in associates

In thousands of Naira	Group September 2021	Bank September 2021
Balance, beginning of period	-	-
Cost of acquisition	1,971,977	1,971,977
Reclassification (See note (a) below)	516,324	516,324
Share of profit for the period	8,303	-
		-
Balance, end of period	2,496,604	2,488,301

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

	E-tranzact September 2021
Assets	
Cash and balances with banks	7,355,898
Inventories	266,234
Trade and other receivables	705,110
Other assets	676,943
Deposit for shares	456,755
Intangible assets	149,631
Investment property	265,761
Property, plant and equipment	786,620
Total Assets	10,662,952
Financed by:	
Current tax liabilities	177,507
Trade and other payables	7,962,913
Long Term Loan	397,740
Deferred Grant Income	107,291
Deferred Tax Liabilities	-
Total Liabilities	8,645,451
Net Assets	**2,017,501**

Reconciliation to carrying amounts:

	September 2021
Opening Net Assets (1 January 2021)	(1,582,290)
Additions through right issue	3,540,232
Profit/ (loss) for the period	59,559
Other comprehensive income	-
Closing net assets (30 September 2021)	2,017,501

Summary statement of comprehensive income	September 2021
Revenue	11,203,328
Cost of sales	(10,115,401)
Selling and marketing costs	(16,034)
Adminsitrative expenses	(1,042,746)
Other income	24,310
Finance cost	(11,570)
Investment income	45,699
Taxation	(28,027)
Profit For the period	59,559

Reconciliation of net asset in associate

Interest in Associate's net asset - (Etz: 23.27%)	469,473
Notional goodwill on investment in associate	2,850,943
Impact of changes in net assets	(823,812)
Carrying amount of investment in associates	2,496,605
Carrying value	2,496,604
Difference	-

E-tranzact (ETRAN), a fully integrated fintech platform in Africa was founded in 2003 and is one of the leading independent players in Lagos, Nigeria with a diversified license and product capabilities. The company has enjoyed continuous and consistent growth in top line revenue and subscriber base and activity over the past 5 years and is position for continuous growth post Covid.

The Group holds an equity interest of 1,544,128,848 ordinary shares of N 1.00 each in E-tranzact International Plc as at 30 September 2021, representing 23.27% equity participation in the company. No dividend income was received from ETRAN during the period. The group's effective ownership in ETRAN increased from 5.46% in 2020 to 23.27% in 2021 as the bank acquired more shares from the company. The proportion of the Bank's interest is the same as the proportion of voting rights. As at 30th September, the fair value of the Bank's investment was N3.18Bn

There are published price quotations for the associate on the Nigerian Stock Exchange. There are no significant restrictions on the ability of the associates to transfer funds to the group in the form of cash dividends, or repayments of loans or advances. The associate was accounted for using the equity method.

The Group exercises significant influence in E-tranzact International Limited by virtue of its more than 20% shareholding in the entity and the representation of one director on the board of the company and significant participation in the company's operating and financial policies.

The exisiting investment the Bank had in Etranzact was initially recognized in the books under equity instruments measured at Fair value through profit or loss. At the point of increasing the stakes of the Bank in Etranzact by means of the Right issue, the existing shares were reclasified to investment in associates at their fair value.

27(b) Subsidiaries (with continuing operations)

(i) Group entities

Set out below are the group's subsidiaries as at 30 June 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**	**September 2021**	**December 2020**
Access Bank Gambia Limited	Banking	Gambia	88.00%	88%
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%
The Access Bank UK	Banking	United Kingdom	100.00%	100%
Access Bank R.D. Congo	Banking	Congo	99.98%	100%
Access Bank Ghana	Banking	Ghana	93.40%	93%
Access Pension Fund Custodian	Custody	Nigeria	100.00%	100%
Access Bank Guinea S.A	Banking	Guinea	100.00%	100%
Access Bank Mozambique	Banking	Mozambique	99.98%	99.98%
Access Bank Kenya	Banking	Kenya	99.98%	99.98%
Access Bank South Africa	Banking	South Africa	90.35%	0%

The obligation to Diamond finance B.V. matured on the 27th March, 2021. The obligations were fully paid to the obligors at maturity. The Directors have unanimously agreed to voluntarily wound down the entity. The entity is currently undergoing liquidation process as at period end

Access Guinea has obtained operating license and commenced operations in August 2021

The Bank acquired Gro Bank of South Africa during the period now (Access Bank South Africa). The central Bank of South Africa granted approval for the acquisition on the 4th May, 2021. The Bank has 90.35% ownership in the subsidiary

Access Zambia acquired Cavmont Bank during the period. The acquisition was completed on the 4th January, 2021. Access Zambia has 100% ownership of Cavmont

Access Mozambique acquired BancABC during the period. The acquisition was completed on the 17th May, 2021. Access Mozambique has 99.997% ownership of BancABC

(ii) Structured entities:

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

27(c)(i) Investment in subsidiaries

In thousands of Naira	**Bank September 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	5,285,488	4,484,842
Access Bank Pension Fund Custodian	2,000,000	2,000,000
Access Bank, South Africa	11,411,683	-
Balance, end of period	**176,463,861**	**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 N176.46Bn

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27 (d) Condensed results of consolidated entities
(i) The condensed financial data of the consolidated entities as at September 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	Access Bank South Africa
Operating income	38,135,843	37,395,634	3,494,906	7,628,662	7,579,844	1,318,620	1,750,030	-	26,566	295,435	530,568	11,346,082	3,644,410	5,712,545
Operating expenses	(11,381,771)	(12,886,998)	(2,194,781)	(4,601,098)	(4,801,939)	(879,842)	(1,043,252)	-	(24,134)	(478,483)	(343,023)	(11,136,846)	(2,297,957)	(7,969,564)
Net impairment loss on financial assets	(3,385,271)	(797,259)	(143,878)	-	(653,317)	537	(17,990)	-	-	-	150	(554,039)	(5,385)	81,226
Profit before tax	23,368,800	23,711,377	1,156,248	3,027,564	2,124,588	439,314	688,788	-	2,432	(183,048)	187,696	(344,803)	1,341,068	(2,175,793)
Income tax expense	(5,454,956)	-	(389,733)	-	(750,787)	(95,312)	-	-	446	-	-	-	-	-
Profit for the period	17,913,843	23,711,377	766,514	3,027,564	1,373,801	344,002	688,788	-	2,878	(183,048)	187,696	(344,803)	1,341,068	(2,175,793)
Assets														
Cash and cash equivalents	260,272,426	82,252,969	15,871,794	75,864,241	40,821,142	18,567,297	3,786,452	-	18,440	1,575,856	3,419,833	45,497,197	11,512,508	21,003,253
Non pledged trading assets	-	101,666,313	-	-	-	-	-	-	-	-	-	-	574,869	-
Pledged assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	4,037,898	-	-	-	-	-	-	-	-	-	-	878,617
Loans and advances to banks	373,936,975	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers	408,300,428	72,231,791	15,852,779	20,986,373	24,016,312	1,856,667	1,917,550	-	-	-	-	30,790,633	11,473,358	47,053,913
Investment securities	195,166,125	169,765,618	22,563,064	-	55,977,648	7,407,146	13,441,593	-	-	3,615,662	204,953	12,614,628	17,637,605	11,823,022
Investment properties	-	-	-	-	-		-		-		-	-	-	-
Other assets	7,895,073	19,701,155	1,806,715	2,569,905	6,682,348	3,650,481	702,542	-	3,430	158,706	108,604	10,379,892	1,234,058	1,327,648
Investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	1,015,604	-	-	-	-	-	-	6,301,094	-	-	-	-	-	-
Property and equipment	2,184,927	24,601,606	1,714,922	4,247,526	2,577,119	1,207,142	844,142	-	-	603,477	819,994	7,997,279	1,316,431	1,648,617
Intangible assets	967,572	98,015	380,164	206,647	991,278	272,260	353,486	-	-	238,187	83,716	657,404	843,016	1,821,252
Deferred tax assets	-	2,499,496	-	-	424,130	-	-	-	-	-	-	2,193,160	326,567	-
Non - current assets held for sale	-	-	-	-	-	-	-	-	-	-	190,000	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,249,739,129	472,816,965	62,227,335	103,874,692	131,489,977	32,960,994	21,045,766	6,301,094	21,870	6,191,887	4,827,098	110,130,194	44,918,409	85,556,322
Financed by:														
Deposits from banks	687,225,318	32,878,214	-	-	18,618,468	8,083,750	3,978,642	-	2,365	-	-	3,250,527	4,714,407	(0)
Deposits from customers	393,291,771	288,036,463	46,142,713	75,749,331	87,648,853	19,492,495	11,210,759	-	-	580,495	-	76,222,508	31,162,014	62,481,163
Derivative Liability	169,932	728,427	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	-	-	-	-	-	5,133,729
Retirement benefit obligations	3,715	21,554	-	-	7,232	-	-	-	-	-	-	-	-	-
Current tax liabilities	-	-	237,881	-	464,709	-	-	-	372	-	-	-	-	-
Other liabilities	9,482,266	23,990,498	2,077,541	4,740,721	2,946,608	1,327,183	1,290,473	-	3,699	542,018	60,889	4,446,056	2,485,932	4,016,827
Interest-bearing loans and borrowings	-	29,266,630	4,080,409	5,667,046	4,936,750	-	-	-	-	-	-	2,725,877	-	2,559,232
Contingent settlement provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	98,866	2,663,701	172,422	-	-	35,377	19,530	-	-	7,518	33,805	432,424	-	-
Equity	159,467,262	95,231,479	9,516,368	17,717,594	16,867,358	4,022,188	4,546,363	6,301,094	15,432	5,061,856	4,732,387	23,052,801	6,556,056	11,365,372
	1,249,739,129	472,816,965	62,227,335	103,874,691	131,489,978	32,960,995	21,045,769	6,301,094	21,868	6,191,887	4,827,082	110,130,193	44,918,409	85,556,324

27 (e) 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
September 2020											
Operating income	27,586,659	33,339,575	3,019,606	5,080,704	2,527,127	813,028	1,269,672	-	-	-	438,618
Operating expenses	(8,296,758)	(12,839,898)	(1,950,235)	(3,648,587)	(1,577,459)	(518,626)	(674,276)	-	(17,892)	-	(289,848)
Net impairment loss on financial assets	(1,414,494)	(954,680)	(34,411)	-	(206,230)	(5,551)	-	-	-	-	-
Profit before tax	17,875,407	19,544,997	1,034,960	1,432,117	743,438	288,852	595,396	-	(17,892)	-	148,771
Income tax expense	(1,522,255)	(2,075,843)	(345,278)	(358,402)	(223,783)	(63,309)	(75,433)	-	(30)	-	(32,340)
Profit for the year	16,353,152	17,469,154	689,682	1,073,715	519,655	225,541	519,963	-	(17,921)	-	116,431
December 2020											
Assets											
Cash and cash equivalents	63,364,931	63,260,587	22,333,660	46,756,250	12,253,895	8,585,568	2,328,412	-	15,714	5,441,100	3,543,678
Non pledged trading assets	-	97,316,595	-	-	(42,383)	-	-	-	-	-	-
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
Investment securities	134,875,103	121,041,959	18,558,626	-	15,842,191	8,235,318	7,741,028	-	-	-	-
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
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
Intangible assets	902,947	146,056	337,657	167,326	112,908	115,169	65,007	-	-	-	54,716
Deferred tax assets	-	2,379,805	-	964,257	308,639	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	190,000
	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
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	-	-	-	-
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
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
	911,695,766	379,131,546	55,880,764	73,055,878	38,391,301	23,648,974	12,997,452	5,111,646	20,393,119	5,441,100	4,679,039
Net cashflows from investing activities	22,500,192	(127,781,060)	(7,256,329)	(609,581)	(31,770)	(239,087)	(3,818,641)	-	1,495,842	-	(763,064)
Net cashflows from financing activities	-	11,312,636	-	1,911,520	832,142	-	1,816,039	-	(1,495,842)	-	-
Net cashflows from operating activities	-	106,965,527	13,414,957	10,309,489	18,600,432	2,670,014	2,914,836	-	5,281	-	(17,259)
Increase in cash and cash equivalents	(134,327,491)	(9,502,897)	6,158,628	11,611,427	19,400,804	2,430,928	912,234	-	5,281	-	(780,323)
Cash and cash equivalent, beginning of year	197,693,075	98,296,376	14,703,443	34,533,147	6,597,741	5,181,058	549,206	-	10,433	-	4,274,301
Effect of exchange rate fluctuations on cash held	1,020,357	3,234,690	-	-	-	-	-	-	-	-	-
Cash and cash equivalent, end of year	64,385,941	92,028,169	20,862,074	46,144,574	25,998,545	7,611,986	1,461,440	-	15,714	-	3,493,978

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	119,160,363	32,972,842	40,058,675	76,480,523	27,202,672	13,970,142	309,845,217
Acquired from business combination	2,689,546	-	495,861	736,922	64,933	67,335	4,054,597
Acquisitions	11,529,601	-	2,677,599	5,494,673	2,989,183	8,145,916	30,836,971
Disposals	(2,438,897)	(143,384)	(118,621)	(295,269)	(606,378)	(400,000)	(4,002,550)
Write-offs	-	-	(51,918)	(192,603)	-	(81,559)	(326,080)
Transfers	3,201,945	-	793,764	1,241,099	1,210,000	(6,446,808)	-
Translation difference	2,092,404	-	494,611	540,059	194,349	296,484	3,617,906
Balance at 30 September 2021	**136,234,963**	**32,829,458**	**44,349,972**	**84,005,402**	**31,054,759**	**15,551,508**	**344,026,060**
Balance at 1 January 2020	120,498,321	31,754,879	33,124,341	68,788,534	23,216,353	16,437,296	293,819,724
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)
Reclassifications							-
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	119,160,363	32,972,842	40,058,675	76,480,523	27,202,672	13,970,142	309,845,216

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	51,977,341	15,824,039	-	112,903,241
Charge for the year	2,911,062	-	3,734,902	8,164,349	3,423,888	-	18,234,201
Impairment Charge							-
Disposal	(923,706)	-	(71,134)	(168,694)	(307,086)	-	(1,470,621)
Write-Offs							-
Transfers							-
Translation difference	1,396,773	-	230,298	288,989	132,744	-	2,048,804
Balance at 30 September 2021	**19,695,037**	**-**	**32,685,019**	**60,261,984**	**19,073,585**	**-**	**131,715,625**
Balance at 1 January 2020	17,089,709	-	24,271,518	43,552,881	11,877,305	-	96,791,414
Charge for the year	2,820,084	-	4,578,695	10,518,506	4,427,378	-	22,344,663
Impairment Charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(2,783,914)	-	(341,291)	(2,112,805)	(625,731)	-	(5,863,741)
Write-Offs	(264,711)	-	(16,151)	(226,602)	-	-	(507,465)
Transfers							-
Translation difference	(726,993)	-	295,627	167,082	145,087	-	(119,197)
Balance at 31 December 2020	16,310,908	-	28,790,954	51,977,341	15,824,039	-	112,903,241

Carrying amounts	**116,539,926**	**32,829,458**	**11,664,953**	**23,743,417**	**11,981,174**	**15,551,507**	**212,310,435**
Right of use assets (see 28(b) below)	**31,090,820**	-	-	-	-	-	**31,090,821**
Balance at 30 September 2021	**147,630,746**	**32,829,458**	**11,664,953**	**23,743,417**	**11,981,174**	**15,551,507**	**243,401,256**
Balance at 31 December 2020	132,386,189	32,972,842	11,267,722	24,503,183	11,378,635	13,970,142	226,478,704

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

Total Depreciation charge (a+b)	**6,093,693**	-	**3,734,902**	**8,164,349**	**3,423,888**	-	**21,416,832**

(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 and equipment for the year is N243.40Bn

Classified as:

Current	-	-	-	-	-	-	-
Non current	**116,539,926**	**32,829,458**	**11,664,953**	**23,743,417**	**11,981,174**	**15,551,507**	**212,310,433**
	116,539,926	**32,829,458**	**11,664,953**	**23,743,417**	**11,981,174**	**15,551,507**	**212,310,436**

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
Acquired from business combination	-	681,933	681,933
Additions during the period	-	4,483,267	4,483,267
Disposals during the period	-	(356,317)	(356,317)
*Reversals due to lease modifications	-	(410,009)	(410,009)
Translation difference	-	351,537	351,537
Closing balance as at 30 September 2021	**-**	**42,126,161**	**42,126,160**
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 year	-	3,182,631	3,182,631
Disposals during the year	-	-	-
Reversals due to lease modifications	-	-	-
Translation difference	-	13,692	13,692

Closing balance as at 30 September 2021	**-**	**11,035,339**	**11,035,339**
Net book value as at 30 September 2021	**-**	**31,090,822**	**31,090,820**
Opening balance as at 1 January 2020	-	3,182,353	3,182,353
Charge for the year	-	5,013,103	5,013,103
Disposals during the year	-	(173,519)	(173,519)
*Reversals due to lease modifications	-	(290,336)	(290,336)
Translation difference	-	107,416	107,416
Closing balance as at 31 December 2020	-	7,839,017	7,839,017
Net book value as at 31 December 2020	-	29,536,733	29,536,733

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

	N'000
Depreciation charge of right-of-use assets	3,182,631
Interest expense (included in finance cost)	242,270
Expense relating to short-term leases (included in other operating expenses)	215,534
Expense relating to leases of low-value assets (included in other operating expenses)	-
Total cash outflow for leases as at September 2021	799,386,549

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

28 (c) Property and equipment
Bank

In 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	104,658,482	32,431,844	33,273,534	70,354,714	24,275,768	6,727,958	271,722,299
Acquisitions	2,898,962	-	2,112,841	4,633,711	1,764,447	5,180,930	16,590,890
Disposals	(481,420)	(143,384)	(6,905)	(156,311)	(453,706)	(400,000)	(1,641,726)
Reclassification from(to) others							-
Transfers	1,642,381	-	793,764	1,225,989	1,210,000	(4,872,134)	-
Write-Offs	-	-	-	-	-	(81,559)	(81,559)
Balance at 30 September 2021	**108,718,405**	**32,288,460**	**36,173,235**	**76,058,102**	**26,796,510**	**6,555,195**	**286,589,906**
Balance at 1 January 2020	107,059,491	31,754,881	27,882,783	62,718,894	20,731,505	13,779,249	263,926,803
Acquired from business combination	766,703	-	3,090,823	8,589,782	4,029,803	4,728,258	21,205,369
Acquisitions	(6,988,740)	(2,660,958)	(307,876)	(2,390,296)	(596,542)	-	(12,944,412)
Disposals	4,022,131	3,337,921	2,615,233	1,646,969	111,003	(11,733,257)	-
Write-Offs	(201,103)	-	(7,429)	(210,635)	-	(46,292)	(465,460)
Balance at 31 December 2020	104,658,482	32,431,844	33,273,534	70,354,714	24,275,768	6,727,958	271,722,298

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	-	98,870,567
Charge for the year (a)	1,617,483	-	2,929,110	7,392,793	3,052,914	-	14,992,300
Disposal	(84,961)	-	(6,904)	(144,551)	(198,816)	-	(435,233)
Balance at 30 September 2021	**16,511,468**	**-**	**26,238,856**	**53,733,351**	**16,943,959**	**-**	**113,427,634**
Balance at 1 January 2020	13,975,776	-	19,838,724	38,999,208	10,507,905	-	83,321,614
Charge for the year (a)	2,147,377	-	3,790,037	9,717,062	4,099,496	-	19,753,972
Impairment charge	176,733	-	2,556	78,279	-	-	257,567
Disposal	(1,119,837)	-	(307,239)	(2,098,804)	(517,539)	-	(4,043,418)
Reclassifications	-						-
Write Off	(201,103)	-	(7,429)	(210,635)	-	-	(419,168)
Balance at 31 December 2020	14,978,946	-	23,316,649	46,485,110	14,089,862	-	98,870,568
Carrying amounts	**92,206,938**	**32,288,460**	**9,934,379**	**22,324,751**	**9,852,551**	**6,555,195**	**173,162,273**
Right of use assets (see 28(d) below)	18,556,102	-	-	-	-	-	18,556,102
Balance at 30 September 2021	**110,763,041**	**32,288,460**	**9,934,379**	**22,324,751**	**9,852,551**	**6,555,195**	**191,718,375**
Balance at 31 December 2020	108,721,122	32,431,844	9,956,885	23,869,604	10,185,906	6,727,958	191,893,319

Depreciation charge on property and equipment and right of use assets

Total Depreciation/Impairment charge (a+b)	**3,496,567**	**-**	**2,929,110**	**7,392,793**	**3,052,914**	**-**	**16,871,384**

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

The total balance for non current property, plant and equipment for the year is N191.72Bn

Classified as:							
Current	-	-	-	-	-	-	-
Non current	**92,206,938**	**32,288,460**	**9,934,379**	**22,324,751**	**9,852,551**	**6,555,195**	**173,162,271**
	92,206,938	**32,288,460**	**9,934,379**	**22,324,751**	**9,852,551**	**6,555,195**	**173,162,271**

28 (d) Leases
Bank

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

i) Right-of-use assets	**Land N'000**	**Building and Equipment N'000**	**Total N'000**
Opening balance as at 1 January 2020	-	22,858,111	22,858,111
Additions during the year	-	1,803,608	1,803,608
Disposals during the year	-	-	-
*Reversals due to lease modifications		(410,009)	(410,009)
Closing balance as at 30 September 2021	**-**	**24,251,710**	**24,251,710**
Opening balance as at 1 January 2020	-	9,465,519	9,465,519
Additions during the year		14,621,105	14,621,105
Disposals during the year		(415,739)	(415,739)
*Reversals due to lease modifications		(812,775)	(812,775)
Closing balance as at 31 December 2020	-	22,858,111	22,858,111
Depreciation			
Opening balance as at 1 January 2021	-	3,816,525	3,816,525
Charge for the year (b)	-	1,879,084	1,879,084
Disposals during the year	-	-	-
*Reversals due to lease modifications	-	-	-
Closing balance as at 30 September 2021	**-**	**5,695,609**	**5,695,609**
Net book value as at 30 September 2021	**-**	**18,556,102**	**18,556,102**

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

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

	N'000
Depreciation charge of right-of-use assets (buildings)	1,879,084
Interest expense (included in finance cost)	683,749
Expense relating to short-term leases (included in other operating expenses)	763,321
Expense relating to leases of low-value assets (included in other operating expenses)	-
Total cash outflow for leases as at September 2021	796,706,890

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

29 Intangible assets
Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total Intangible
Cost							
September 2021							
Balance at 1 January 2021	11,782,171	1,601,183	41,008,765	28,664,776	12,651,500	4,724,566	100,432,961
Arising from business combination (See note 44)	-	-	2,120,406	-	-	-	2,120,406
Acquisitions	-	1,383,803	2,988,289	-	-	-	4,372,093
Reclassification	-	(32,976)	32,976	-	-	-	-
Write off	-	-	(224,983)	-	-	-	(224,983)
Translation difference	-	(5,294)	787,090	-	-	-	781,796
Balance at 30 September 2021	**11,782,171**	**2,946,717**	**46,712,544**	**28,664,776**	**12,651,500**	**4,724,566**	**107,482,273**
December 2020							
Balance at 1 January 2020	5,235,837	1,218,346	31,147,503	28,664,776	12,651,500	4,724,566	83,642,528
Arising from business combination (See note 44)	6,546,334	-	104,643	-	-	-	6,650,977
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	11,782,171	1,601,183	41,008,765	28,664,776	12,651,500	4,724,566	100,432,962
Amortization and impairment losses							
Balance at 1 January 2021	-	-	23,185,970	5,016,336	2,214,013	826,799	31,243,116
Reclassification (a)	-	-					-
Amortization for the period	-	-	5,513,602	2,149,858	948,863	354,342	8,966,665
Write off	-	-	(221,357)				(221,357)
Translation difference	-	-	30,507				30,507
Balance at 30 September 2021	-	-	28,508,721	7,166,194	3,162,875	1,181,142	**40,018,931**
Balance at 1 January 2020	-	-	17,709,774	2,149,858	948,863	354,342	21,162,838
Amortization for the year	-	-	380,720	-	-	-	380,720
Impairment charge	-	-	5,309,110	2,866,478	1,265,150	472,457	9,913,194
Write off	-	-	(227,514)	-	-	-	(227,514)
Translation difference	-	-	13,880	-	-	-	13,880
Balance at 31 December 2020	-	-	23,185,970	5,016,336	2,214,013	826,799	31,243,116
Net Book Value							
Balance at 30 September 2021	**11,782,171**	**2,946,717**	**18,203,822**	**21,498,582**	**9,488,624**	**3,543,425**	**67,463,343**
Balance at 31 December 2020	11,782,171	1,601,183	17,822,795	23,648,440	10,437,487	3,897,767	69,189,846

Intangible assets
Bank

In thousands of Naira	Goodwill	WIP	Purchased Software	Core deposit intangible	Customer relationship	Brand	Total
Cost							
September 2021							
Balance at 1 January 2020	11,148,311	1,113,036	36,604,316	28,664,776	12,651,500	4,724,566	94,906,504
Acquisitions	-	739,781	96,731	-	-	-	836,512
Reclassification	-	(32,976)	32,976				-
Balance at 30 September 2021	**11,148,311**	**1,819,840**	**36,734,023**	**28,664,776**	**12,651,500**	**4,724,566**	**95,743,016**
December 2020							
Balance at 1 January 2020	11,148,311	1,201,540	27,324,332	28,664,776	12,651,500	4,724,566	85,715,024
Acquisitions	-	1,285,545	7,905,935	-	-	-	9,191,480
Reclassification	-	(1,374,049)	1,374,049				-
Balance at 31 December 2020	11,148,311	1,113,036	36,604,317	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	826,799	27,410,428
Amortization for the period	-	-	4,102,269	2,149,858	948,863	354,342	7,555,332
Balance at 30 September 2021	**-**	**-**	**23,455,548**	**7,166,194**	**3,162,875**	**1,181,142**	**34,965,760**
Balance at 1 January 2020	-	-	14,711,295	2,149,858	948,863	354,342	18,164,359
Amortization for the year	-	-	4,641,985	2,866,478	1,265,150	472,457	9,246,069
Balance at 31 December 2020	-	-	19,353,280	5,016,336	2,214,013	826,799	27,410,428
Carrying amounts							
Balance at 30 September 2021	**11,148,311**	**1,819,840**	**13,278,473**	**21,498,582**	**9,488,624**	**3,543,425**	**60,777,256**
Balance at 31 December 2020	11,148,311	1,113,036	17,251,036	23,648,440	10,437,487	3,897,767	67,496,077

Amortization method used is straight line.

	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Classified as:				
Current	-	-	-	-
Non current	67,463,343	69,189,846	60,777,256	67,496,077

29(b) Intangible assets

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

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Diamond Bank Plc (see (a) below)	4,554,830	4,554,830	11,148,311	11,148,311
Access Bank Rwanda (see (b) below)	681,007	681,007	-	-
Access Bank Kenya (see (c) below)	6,546,334	6,546,334	-	-
	11,782,171	**11,782,171**	**11,148,311**	**11,148,311**

(a) Diamond bank:
The recoverable amount of Goodwill as at 30 September 2021 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N75.12bn.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period and no losses on goodwill were recognized as at 30 September 2021 (31 December 2020: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Retail (Personal) Banking.
Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 3.15%. A discount rate of 22.33% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

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

Compound annual volume growth (i)	16.63%
Terminal growth rate (ii)	3.15%
Discount rate (iii)	22.33%

(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 and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 22.33% was applied in determining the recoverable amounts for Diamond Bank Plc. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium of Access Bank.

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

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

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(5,667,212)	7,014,742
Impact of change in growth rate on value-in-use computation (increase/(decrease)	121,704,709	(135,694,521)

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

(b) Access Bank Rwanda:
The recoverable amount of Goodwill as at 30 September 2021 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N12.26bn.
Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period and no losses on goodwill were recognized as at 30 September 2021 (31 December 2020: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Rwanda.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 7.5%. A discount rate of 22.34% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

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

	September 2021
Compound annual volume growth (i)	8.53%
Terminal growth rate (ii)	7.50%
Discount rate (iii)	22.34%

(i) Compound annual volume growth rate in the initial four-year period.
(ii) Terminal 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 and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 22.34% was applied in determining the recoverable amounts for the goodwill of Access Bank Rwanda. This discount rate was estimated using beta, risk-free rate and the equity risk premium for Rwanda.

Terminal growth rate
Terminal growth rate applied was based on the long term growth rate in GDP of Rwanda.

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

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(1,632,390)	2,213,460
Impact of change in growth rate on value-in-use computation (increase/(decrease)	2,757,914	(2,757,914)

(c) Access bank Kenya:

The recoverable amount of Goodwill as at 30 September 2021 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N16.22bn.

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

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to Access Bank Kenya.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 5.40%. A discount rate of 18.46% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU's declining below their carrying amounts.

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

Compound annual volume growth (i)	15.48%
Terminal growth rate (ii)	5.40%
Discount rate (iii)	18.46%

(i) Compound annual volume growth rate in the initial five-year period.
(ii) Terminal 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 and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Pre-tax discount rate of 18.46% was applied in determining the recoverable amounts for the goodwill of Access Bank Kenya. This discount rate was estimated using the Bank's beta, the risk-free rate and the equity risk premium of Access Bank.

Terminal growth rate

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

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

Sensitivity analysis of key assumptions used

In thousands of Naira	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(1,722,778)	2,268,154
Impact of change in growth rate on value-in-use computation (increase/(decrease)	(392,189)	(7,457,182)

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

31a Investment properties

	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Balance at 1 January	217,000	927,000	217,000	727,000
Acquired from business combination	-	-	-	-
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

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Balance at 1 January	28,318,467	24,957,518	28,128,467	24,957,518
Acquired from business combination	-	-	-	-
Additions	10,319,448	5,370,949	10,319,448	5,180,949
Disposals	(2,219,000)	(2,010,000)	(2,219,000)	(2,010,000)
	36,418,914	**28,318,467**	**36,228,914**	**28,128,467**

The total balance for non current financial assets held for sale for the period is N36.42Bn for Group and N36.23Bn for Bank

Classified as:				
Current	36,418,914	28,318,467	36,228,914	28,128,467
Non current	-	-	-	-

The professional valuers engaged for the preparation of the valuation reports are: Ubosi Eleh and Company (FRC/2014/00000003997), Odudu and Company (FRC/2012/NIESV/00000000198), Paul Osaji and Company (FRC/2013/00000000001098), Banjo Adeleke and Company (FRC/2013/NIESV/00000003314); and Osas and Oseji (FRC/2012/000000000522). This largely comprises of Land and buildings. The items in non-current asset held for sale are repossessed collateral and this is seen in Note 5.1.3 (g)

32 Deposits from financial institutions

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Money market deposits	392,358,622	501,831,841	287,447,556	271,700,559
Trade related obligations to foreign banks	959,187,592	456,565,330	753,929,528	559,931,773
	1,351,546,213	**958,397,171**	**1,041,377,085**	**831,632,332**
Current	1,208,402,641	885,853,455	914,336,458	759,088,616
Non-current	143,143,572	72,543,716	127,040,627	72,543,716

33 Deposits from customers

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Term deposits	2,802,525,017	1,975,382,019	2,311,678,804	1,586,352,295
Demand deposits	2,043,090,002	2,301,974,129	1,515,232,333	1,991,980,453
Saving deposits	1,381,450,486	1,310,062,064	1,308,135,803	1,254,411,747
	6,227,065,505	**5,587,418,211**	**5,135,046,940**	**4,832,744,495**
Current	6,120,988,640	5,133,490,210	5,057,359,538	4,767,846,216
Non-current	106,076,865	453,928,002	77,687,403	64,898,279

34 Other liabilities

In thousands of Naira		Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Financial liabilities					
Certified and bank cheques		4,571,710	4,508,867	4,302,449	4,133,280
E-banking payables	(see (a) below)	187,965,047	89,242,387	185,635,994	88,490,471
Collections account balances	(see (b) below)	73,804,216	152,676,592	70,789,942	150,896,742
Due to subsidiaries		-	-	275,960	548,835
Accruals		37,661,557	2,368,024	33,615,004	802,205
Creditors		20,347,411	10,820,370	8,357,893	2,417,023
Payable on AMCON		1,281,293	1,281,293	1,281,293	1,281,293
Customer deposits for foreign exchange	(see (c) below)	62,078,939	40,494,867	62,057,376	40,494,867
Unclaimed dividend	(see (d) below)	16,388,738	15,730,661	16,388,738	15,730,661
Lease liabilities		15,750,203	13,588,379	5,840,570	5,385,378
Other financial liabilities		22,838,550	23,186,625	7,762,786	10,156,074
ECL on off-balance sheet	(see (e) below)	3,005,900	2,740,034	2,878,865	2,619,082
		445,693,567	356,638,099	399,186,870	322,955,912
Non-financial liabilities					
Litigation claims provision	(see (f) below)	2,336,116	1,919,853	2,319,854	1,919,854
Other non-financial liabilities		2,933,773	20,858,831	2,532,945	17,584,504
Total other liabilities		**450,963,457**	**379,416,782**	**404,039,670**	**342,460,268**
Classified as:					
Current		438,826,290	366,742,938	398,617,922	337,074,888
Non current		12,137,166	12,673,845	5,421,747	5,385,380
		450,963,457	**379,416,783**	**404,039,669**	**342,460,268**

(a) E-banking payables represent settlements due to other banks use of their electronic channels by the Group's customers. The Group's Receivables from other banks is contained in Note 26.

(b) Collections are balances held in trust on behalf of customers for various transactions. These include escrows, collection for remittances, payments, etc.

(c) Customer deposits for foreign exchange represents deposits that customers have made to fulfil foreign currency obligations. The Group's process requires that customers with foreign currency obligations deposit foreign currency to back the transactions. The corresponding balance is in Other deposits with central banks - Cash and balances with banks.

(d) Unclaimed dividend is the balance of dividend declared by the Bank but yet to be claimed by shareholders. The amount relates to the portion that has been transferred to the Bank by the Registrar in accordance with Securities and Exchange Commission guidelines on Return of Unclaimed Dividends (See Note 19) for the corresponding assets with Asset Managers. The amount is payable on demand to shareholders.

(e) Movement in ECL on contingents

	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Opening balance at 1 January 2021/31 December 2020	2,740,033	4,526,457	2,619,082	4,353,070
Charge for the period	259,783	(1,741,908)	259,783	(1,733,988)
Reclassification	-	-	-	-
Revaluation difference	6,083	(44,515)	-	-
Balance, end of period	3,005,900	2,740,033	2,878,865	2,619,082

(f) Movement in litigation claims provision

	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Opening balance	1,919,853	1,401,620	1,919,854	1,401,620
Additions	400,000	518,233	400,000	518,233
Payment	-	-	-	-
Translation reserve	16,264	-	-	-
Closing balance	**2,336,116**	**1,919,853**	**2,319,853**	**1,919,854**

ii Lease liabilities

	Group N'000	Bank N'000
Opening balance as at 1 January 2021	13,588,379	5,385,381
Acquired from business combination	829,590	-
Additions	1,595,846	700,878
Interest expense	979,880	683,749
Lease payments	(1,324,969)	(241,517)
Leases terminations in the period	-	-
Lease liability remeasurements related to lease modifications	(687,918)	(687,918)
Translation difference	769,395	-
Closing balance as at 30 September 2021	**15,750,203**	**5,840,573**

Current lease liabilities	3,613,037	418,825
Non-current lease liabilities	12,137,167	5,421,744
	15,750,203	**5,840,569**

ii **Lease liabilities**

	Group N'000	Bank N'000
Opening balance as at 1 January 2020	10,325,181	5,244,844
Acquired from business combination	73,559	-
Additions	4,524,454	549,938
Interest expense	1,804,032	851,155
Lease payments	(2,193,539)	(306,700)
Leases terminations in the year	(442,526)	(314,461)
Lease liability remeasurements related to lease modifications	(639,396)	(639,396)
Translation difference	136,614	-
Closing balance as at 31 December 2020	**13,588,379**	**5,385,381**
Current lease liabilities	3,378,658	914,534
Non-current lease liabilities	10,209,721	4,470,847
	13,588,379	**5,385,381**

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

	Group N'000	Bank N'000
Less than 6 months	918,131	250,242
6-12 months	1,953,594	552,545
Between 1 and 2 periods	4,911,318	1,242,709
Between 2 and 5 periods	5,843,336	3,670,202
Above 5 periods	2,484,356	485,403
	16,110,736	**6,201,101**
Carrying amount	15,750,203	5,840,570

35 Debt securities issued

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Debt securities at amortized cost:				
Eurobond debt security (see (i) below)	334,981,364	122,195,240	334,981,364	122,195,240
Green Bond (see (ii) below)	14,882,356	15,423,330	14,882,356	15,423,330
Local Bond (see (iii) below)	30,212,939	31,541,489	30,384,390	31,541,489
Debentures (see (iv) below)	5,305,180	-	-	-
	385,381,839	**169,160,059**	**380,248,110**	**169,160,059**

Movement in Debt securities issued:

In thousands of Naira	Group September 2021	Bank September 2021
Net debt as at 1 January 2021	169,160,060	169,160,060
Additions	210,251,521	204,946,341
Debt securities issued	-	-
Repayment of debt securities issued	-	-
Total changes from financing cash flows	379,411,582	374,106,401
The effect of changes in foreign exchange rates	3,620,129	3,931,496
Other changes		
Interest expense	15,735,750	15,595,834
Interest paid	(13,385,619)	(13,385,619)
Balance as at 30 September 2021	**385,381,841**	**380,248,112**

In thousands of Naira	Group December 2020	Bank December 2020
Net debt as at 1 January 2020	157,987,877	157,987,877
Arising from business combination	-	-
Debt securities issued	-	-
Repayment of debt securities issued	-	-
Total changes from financing cash flows	157,987,877	157,987,877
The effect of changes in foreign exchange rates	11,102,709	11,102,709
Other changes		
Interest expense	19,305,691	19,305,691
Interest paid	(19,236,218)	(19,236,218)
Balance as at 31 December 2020	**169,160,060**	**169,160,060**

(i) This refers to US$300,000,000 notes of 10.5% interest issued on 19 October 2016 with a maturity date of 19 October 2021. There was a new issue during the period for US$500,000,000 notes of 6.125% interest issued on 21 October 2021 with a maturity date of 21 September 2026. It represents an amortized cost of N334.98bn.

(ii)The Bank issued an unsecured green bond on March, 18, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 5 years and is due on March, 2024.

(iii) The Bank issued a local bond on July, 4, 2019 with a coupon rate of 15.5% payable semi-annually. The bond has a tenor of 7 years and is due on July, 2026.
The principal amount on the notes are payable at maturity, whilst interest is payable on a semi-annual basis at their respective interest rates.

(iv) Access South Africa issued a Tier II subordinated convertible debenture of 183Mn South African Rand on June, 30, 2021 with a coupon rate of 2% above 6 months JIBAR payable semi-annually. The bond has a tenor of 5 years and is due on September, 2026. The Bonds have a call option date of 1st July, 2026 and the issuer's call is subject to supervisory's approval.

36 Interest bearing borrowings

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
African Development Bank (see note (a))	17,055,366	17,755,228	12,974,957	17,755,228
Netherlands Development Finance Company (see note (b))	136,444,760	142,907,542	122,523,060	129,820,587
French Development Finance Company (see note (c))	940,749	1,767,670	-	-
European Investment Bank (see note (d))	36,664,197	37,430,800	36,172,785	36,379,295
Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (see note (e))	3,927,379	4,198,814	3,927,379	4,198,814
International Finance Corporation (see note (f))	56,981,891	55,381,711	56,981,891	55,381,711
French Development Agency (see note (g))	12,548,133	12,048,263	12,548,133	12,048,263
Mashreq Bank (see note (h))	259,895,479	-	259,895,479	-
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (i))	6,782,316	8,664,680	6,782,316	8,664,680
Central Bank of Nigeria - Shared Agent Network Expansion Facility (SANEF) (see note (j))	2,107,304	2,258,000	2,107,304	2,258,000
Bank of Industry-Power & Airline Intervention Fund (see note (k))	2,265,577	3,387,775	2,265,577	3,387,775
Special Refinancing & Restructuring Intervention fund (SRRIF) (see note (l))	2,599,356	3,365,050	2,599,356	3,365,050
Central Bank of Nigeria - Salary Bailout facilities (see note (m))	61,016,785	60,370,979	61,016,785	60,370,979
Central Bank of Nigeria - Excess Crude Account (see note (n))	110,182,163	109,185,236	110,182,163	109,185,236
Real Sector And Support Facility (RSSF) (see note (o))	14,725,408	16,508,760	14,725,408	16,508,760
Development Bank of Nigeria (DBN) (see note (p))	72,439,359	75,022,451	72,439,359	75,022,451
Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (q))	202,419,700	105,690,820	202,419,700	105,690,820
Nigeria Mortgage Refinance Company (NMRC) (see note (r))	5,622,183	5,736,228	5,622,183	5,736,228
Micro small and medium enterprise development fund (MSMEDF) (see note (s))	-	-	-	-
Africa Export and Import Bank (AFREXIM) (see note (t))	37,728,531	59,916,173	37,728,531	59,916,173
Diamond finance B V (Anambra State Government) (see note (u))	-	20,431,367	-	20,431,367
BOI Power and steel (PAIF) (see note (v))	11,084,244	11,762,893	11,084,244	11,762,893
Bank of Industry (RRF) (see note (v))	-	-	-	-
Creative Industry Financing Initiative Fund (CIFI) (see note (w))	1,619,631	1,636,867	1,619,631	1,636,865
Accelerated Agricultural Development Scheme (AADS) (see note (x))	2,959,550	2,938,301	2,959,550	2,938,301
Non-Oil Export Stimulation Facility (NESF) (see note (y))	4,023,074	4,020,064	4,023,074	4,020,064
Health Sector Intervention (HSI) Differentiated Cash Reserve Requirement Scheme (DCRR) (see note (z))	17,056,177	7,584,176	17,056,177	7,584,176
Lagos State Employment Trust Fund (LESTF) W Initiative (see note (aa))	1,038,493	1,000,000	1,038,493	1,000,000
ECOWAS Bank for Investment and Development (EBID) (see note (ab))	3,553,703	5,203,595	-	-
Standard Chartered Bank GH. Ltd (see note (ac))	6,973,577	-	-	-
Norsad Finance Limited (see note (ad))	2,559,232	-	-	-
Bank of Zambia - (TMTRF) (see note (ae))	4,407,159	-	-	-
ABC Holdings Ltd (see note (af))	1,837,445	-	-	-
Other loans and borrowings	10,530,514	15,281,794	59,956	190,557
	1,109,989,435	**791,455,234**	**1,060,753,491**	**755,254,263**

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

(a) The amount of N17,055,366,341 (USD 41,291,288) represents the outstanding balance in the on-lending facility granted to the Bank by AFDB (Africa Development Bank) in two tranches. The first tranche of USD35 million has matured and was fully paid out in August 2016. The second tranche was disbursed in August 2014 (USD 90m) for a period of 10years, while the third tranche came in June 2016 for (USD 10m) for a period of 9 years. The principal amount is repayable semi-annually starting from February 2017 for both tranches. Interest is paid semi annually at 3% above 6 months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(b) The amount of N136,444,759,931 (USD 330,334,729) 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 30 September 2021.

(c) The amount of N940,748,948 (USD 2,277,567) 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. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(d) The amount of N36,664,197,318 (USD 88,764,550) represents the outstanding balance on five on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m), June 2014 (USD 14.7m), September 2015 (USD 27.9m), March 2016 (USD 27.1m) and July 2020 (USD 68.7m) for a period of 6 years each for the first three, a period of 8 years each for the next two and a period of 5 years for the last one. Interest is paid semi-annually at 2.6%, 2.6% , 2.93%, 2.6%, 2.6% respectively above 6 months LIBOR and 3.04% for the last one. It also includes the facility granted to Ghana in Oct 2016 for a period of 7 years. Principal and interest are paid semi-annually at 4.57%. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(e) The amount of N3,927,378,932 (USD 9,508,241) represents the outstanding balance on the on-lending facility of USD 15mn granted to the Bank by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) in December 2017 (USD 15m) for a period of 7 and a half years. The principal amount will be repayable semi-annually from May 2019 while interest is paid semi annually at 7.69% above 6months LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(f) The amount of N56,981,890,764 (USD 137,953,978) represents the outstanding balance on the on-lending facility of USD 87.5mn and USD 50mm granted to the Bank by International Finance Corporation for a period of 10 years and 1 year respectively. The principal amount will be repayable quarterly from September 2019 and October 2020 respectively, while interest is paid semi annually at 7.69% above 3 months LIBOR for the first 5 years and 12% above 3 months LIBOR for the last 5 years and 4.25% above 6 months LIBOR for a year. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(g) The amount of N12,548,132,645 (USD 30,379,210) represents the outstanding balance on the on-lending facility of USD 30mn granted to the Bank by French Development Agency for a period of 8 years. The principal amount will be repayable semi annually from November 2020 while interest is paid quarterly at 3.57%. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(h) The amount of N259,895,478,889 (USD 629,210,698) represents the outstanding balance on the on-lending facility of USD 634.5mn granted to the Bank by Mashreq Bank for a period of 1 year. The principal amount and interest will be repayable semi annually from July 2021 with interest at 2.70%. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(i) The amount of N6,782,316,211 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum year of 7 years at a zero percent interest rate to the Bank. The Bank did not provide security for this facility. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(j) The amount of N2,107,304,195 represents an outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria, to facilitate the rapid rollout of agent networks across Nigeria supporting the expansion of a shared Agent Network to deepen financial inclusion in Nigeria. The total facility has a tenor of 10 years at a 5% interest rate and the facility is meant for CBN Licensed Mobile Money Operators and Super Agents. The principal amount will be repayable quarterly after the 1 year interest moratorium and the 2 years principal moratorium. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(k) The amount of N2,265,576,891 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 13.5 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(l) The amount of N2,599,356,428 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(m) The amount of N61,016,785,123 represents the outstanding balance on the state salary bailout facilities granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments for payments of salary of workers of the states. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(n) The amount of N110,182,162,839 represents the outstanding balance on the excess crude account loans granted to the bank by the Central Bank of Nigeria for onward disbursements to state governments. The facility has a tenor of 20 years with a 2% interest payable to the CBN. The Bank is under obligation to on-lend to the states at an all-in interest rate of 9% per annum. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(o) The amount of N14,725,407,747 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) established by CBN. The facility tenor is for a range of 7 to 10 years inclusive of 24 months moratorium at a 3% interest rate to the Bank. An additional facility of NGN2bn was disbursed under the scheme for a period of 7 years inclusive of 1 year moratorium at a 3% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(p) The amount of N72,439,358,648 represents the outstanding balance on four on-lending facilities granted to the Bank by the Development Bank of Nigeria in two series in respect of the Micro, Small and Medium Scale Enterprises (MSMEs) and Small Corporates. The facilities are for a maximum of 3 years at a 9.6% interest rate to the Bank. A third series of about 1.68bn was disbursed for a period of 10 years. The fourth facility of about 70bn was disbursed for a period of 10 years at an interest rate of 10%. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(q) The amount of N202,419,700,232 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) established by CBN supporting Reddington Multi-specialist Hospital, Dana Motors, Lafarge Africa PLC. The facility is for a maximum period of 7 years inclusive of 12 months moratorium for Reddington and Dana and a 24 months moratorium for Lafarge at a 0% interest rate to the Bank. Additional amounts were disbursed between July 2019 and November 2019 in favor of 5 other beneficiaries amounting to 34.58bn for a period of 7 years with 2 years moratorium at 2% interest rate on a quarterly basis for the first 4 counterparties and 10 years with no moratorium at 1% interest rate on a quarterly basis for the last counterparty. There were additional facilities disbursed in 2020 in favor of 16 other beneficiaries amounting to about N59bn for a period of 4 to 10 years inclusive of 6 months to 2 years moratorium at 2% interest rate on a quarterly basis. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(r) The amount of N5,622,182,603 represents the outstanding balance on the on-lending facility granted to the Bank by Nigeria Mortgage Refinance Company. The facility is for a maximum period of 15 years commencing from the date of execution of this agreement at a 14.5% interest rate to the Bank. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(s) This on-lending facility granted to the Bank under the Central Bank of Nigeria scheme Micro, Small and medium Enterprise Development Fund (MSMEDF). The on-lending facility is for a maximum tenor of 5 years where the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% to 9% per annum depending on the beneficiary. The principal amount of the on-lending facility is repayable on a monthly basis over the tenor of the borrowing which will expire in August 2020. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(t) The amount of N37,728,530,957 (USD 91,341,317) represents the outstanding balance on the on-lending facility of USD 25mn granted to the Bank by Africa Export and Import Bank (AFREXIM) in May 2018 for a period of 3 years. The principal amount will be repayable semi-annually from November 2018 while interest is paid quaterly at 7% above 3 months LIBOR. In December 2019, AFREXIM disbursed a USD200mn for a period of 3 years to be paid quarterly with a 6 months moratorium with Interest also paid quarterly at 3.64% and LIBOR. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(u) This on-lending facility granted to the Bank under the Group's issued dollar denominated loan particpatory notes of $50 million (N9.95 billion) through a structured entity, Diamond Finance BV, Netherlands, on 27 March 2014, which is due on 27 March 2021. The principal amount is payable at the end of the tenor while interest on the notes is payable semi-annually at 7% per annum. The net proceeds from the issue of the Loan Participatory Notes, was used by the Issuer (Diamond Finance BV) for the sole purpose of providing a loan to Diamond Bank, which was in turn used by the Bank to support its business expansion and development. Diamond Bank (now Access Bank Plc), unconditionally and irrevocably guaranteed the due payment of all sums by the Issuer (Diamond Finance BV) in respect of the Notes. The Group had no defaults of principal or interest with respect to its subordinated liabilities during the life of the facility. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(v) The amount of N11,084,243,597 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria. The total facility has a maximum tenor of 15 years. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7%. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(w) The amount of N1,619,631,293 represents the outstanding balance on the on-lending facility granted to the Bank by the Central Bank of Nigeria under the Creative Industry Financing Initiative established by the CBN. The initiative is on a request by request basis. The tenor of the facilities granted ranges from 3 to 10 years inclusive of a maximum of 24 months moratorium. There are currently 14 beneficiaries under the initiative. The Bank is under obligation to on-lend to customers at an all-in interest rate of 9% with 2% remitted to CBN. The Bank remains the primary obligor to CBN and therefore assumes the risk of default of customers. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(x) The amount of N2,959,550,344 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Accelerated Agricultural Development Scheme (AADS) on behalf of Bayelsa State Government. The facility is for a period of 3 years inclusive of 24 months moratorium at a 4% interest rate repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(y) The amount of N4,023,073,953 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria in respect of the Non-Oil Export Stimulation Facility (NESF) supporting Leaf Tobacco and Commodities Nigeria Limited in acquiring additional machinery for expansion of their facilities. The facility is for a period of 6 years inclusive of 12 months moratorium at a 1% interest rate repayable on a quarterly basis which will increase to 2% effective March 1, 2022. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(z) The amount of N17,056,177,275 represents the outstanding balance on the on-lending facility granted to the Bank by Central Bank of Nigeria through the Health Sector Intervention Facility (HSIF) window of the Real Sector Support Facility (RSSF) Differentiated Cash Reserve Requirement scheme (DCCR) supporting 8 beneficiaries (N7.6bn). The tenor of the facility ranges from 4 to 10 years inclusive of maximum moratorium of 12 months. The interest is set at 1% repayable on a quarterly basis which will increase to 2% effective March 2022. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(aa) The amount of N1,038,493,151 represents the outstanding balance on the on-lending facility granted to the Bank by Lagos State Employment Trust Fund (LESTF) to support financial inclusion of women in Lagos state. The tenor of the facility is 2 years. The interest is set at 5% repayable on a monthly basis. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(ab) The amount of N3,553,702,954 (USD 8,603,566) 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 May and June (24 May 2021, 3 Jun 2021, 4 Jun 2021 and 11 Jun 2021) all with principal and interest payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(ac) The amount of N6,973,576,919 (USD 16,883,130) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Ghana by Standard Chartered Bank GH. Ltd. Two tranches were disbursed on 29 June 2021 and 3 June 2021 at an interest rate of 2.97% for 9 months and 1 year respectively where principal and interest is payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(ad) The amount of N2,559,231,987 (USD 6,195,938) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in South Africa by Norsad Finance Limited which attracts an interest rate of 8.50% for 5 years with interest paid semi-annually and principal payable at maturity. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

(ae) The amount of N4,407,159,058 (USD 10,669,796) represents the outstanding balance on the on-lending facility granted to the Group's Subsidiary in Zambia by Bank of Zambia - (TMTRF) which attracts an interest rate of 10% ranging between different tenors of 5 to 2 years with five different facilities disbursed on 31 July 2020 and 10 March 2021 all with interest payable quarterly after 12 months moratorium and principal is paid at maturity. From this creditor, the bank has nil undrawn balance as at 30 September 2021.

In thousands of Naira	**Group September 2021**	**Bank September 2021**
Balance as at 1 January 2021	791,455,234	755,254,263
Proceeds from interest bearing borrowings	391,317,472	372,172,728
Arising from business combination	7,263,584	-
Repayment of interest bearing borrowings	(91,360,730)	(78,048,439)
Total changes from financing cash flows	1,098,675,560	1,049,378,553
The effect of changes in foreign exchange rates	7,476,799	7,452,612
Other changes		
Interest expense	32,399,053	30,852,258
Interest paid	(28,561,979)	(26,929,941)
Balance as at 30 June 2021	**1,109,989,435**	**1,060,753,492**

	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
Arising from business combination		
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	19,565,670
Other changes		
Interest expense	25,760,799	24,562,225
Interest paid	(20,907,634)	(20,143,091)
Balance as at 31 December 2020	**791,455,234**	**755,254,263**

37 Retirement benefit obligation

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Recognised liability for defined benefit obligations (see note (a) below)	5,149,380	4,584,149	5,149,380	4,584,149
Liability for defined contribution obligations	32,501	357,119	-	-
	5,181,880	**4,941,268**	**5,149,380**	**4,584,149**

(a) **Defined benefit obligations**

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

In thousands of Naira	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Post employment benefit plan (see note (i) below)	5,149,379	4,584,148	5,149,380	4,584,149
Recognised liability	**5,149,379**	**4,584,148**	**5,149,380**	**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 periods 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 September 2021	Group December 2020	Bank September 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	304,694	335,624	304,694	335,624
-Current service cost	260,537	446,688	260,537	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	**5,149,380**	**4,584,149**	**5,149,380**	**4,584,149**
Expense recognised in income statement:				
Current service cost	260,537	446,688	260,537	446,688
Interest on obligation	304,694	335,624	304,694	335,624
Total expense recognised in profit and loss (see Note 14)	**565,231**	**782,312**	**565,231**	**782,312**

All retired benefit obligations have been classified as non current with a closing amount of N5.15billion for both Group and Bank

The weighted average duration of the defined benefit obligation is 9.7 years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment.

Risk exposure

Through its defined benefit pension plan, the group is exposed to a number of risks, the most significant of which are detailed below:

i) Changes in bond yields - A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

ii) Inflation risks - Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

iii) Life expectancy - The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities

The sensitivities below relates to Group and Bank.

September 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 5.4%	5,417,147	(292,526)
Effect of changes in assumption to the salary growth	Decrease in liability by 4.5%	4,917,658	221,295
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	5,148,350	1,017

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Total comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 4.8%	4,902,210	235,306
Effect of changes in assumption to the salary growth	Increase in the liability by 4.8%	5,396,550	(259,034)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.02%	5,148,350	(1,018)

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 5.6%	4,841,189	(271,107)
Effect of changes in assumption to the salary growth	Decrease in liability by 4.9%	4,359,049	213,593
Effect of changes in assumption to the mortality rate	Decrease in liability by 0.02%	4,583,274	917

	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%	4,346,049	225,995
Effect of changes in assumption to the salary growth	Increase in the liability by 5.2%	4,824,327	(250,865)
Effect of changes in assumption to the mortality rate	Increase in the liability by 0.1%	4,585,103	(917)

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.

	September 2021	December 2020
Discount rate	7.10%	7.10%
Future salary increases	5.00%	5.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	1.70%	11.70%
Withdrawal rate: 18 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	6.00%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 59 (average rate)	1.70%	1.50%

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 30 September 2021. 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 September 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 September 2021	Bank December 2020
(b) Issued and fully paid-up :		
35,545,225,622 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 September 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	14,463,986
Additions through scheme of merger	3,308,627
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 September 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 September 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	197,974,816
Additions through scheme of merger	36,064,034
Balance, end of the period	234,038,850

C Retained earnings

	Group September 2021	Restated Group December 2020	Bank September 2021	Restated Bank December 2020
Retained earnings	352,671,482	221,665,749	260,064,966	188,925,555

D Other components of equity

	Group September 2021	Group December 2020	Bank September 2021	Bank December 2020
Other regulatory reserves (see i(a) below)	131,047,676	93,322,654	106,039,341	83,061,699
Share Scheme reserve	2,871,570	1,881,768	1,928,791	1,881,767
Treasury Shares	(6,301,094)	(4,795,914)	-	-
Capital Reserve	3,489,080	3,489,080	3,489,081	3,489,081
Fair value reserve	(8,425,917)	964,243	(10,254,885)	835,473
Foreign currency translation reserve	34,323,332	11,780,013	-	-
Regulatory risk reserve	20,473,530	18,091,941	14,971,416	9,483,000
	177,478,175	**124,733,785**	**116,173,744**	**98,751,020**

(i) Other reserves

Other regulatory reserves

Statutory reserves

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

SMEEIS Reserves

The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) reserve is maintained to comply with the Central Bank of Nigeria (CBN)/ Banker's committee's requirement that all licensed deposit money banks in Nigeria set aside a portion of the profit after tax in a fund to be sued to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by a CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 periods but banks' contribution shall thereafter reduce to 5% of profit after tax

However, this is no longer mandatory. Therefore, no additional appropriation has been done during the period.

The small and medium scale industries equity investment scheme reserves are non-distributable.

i(a)

	Statutory reserves September 2021	Statutory reserves December 2020	SMEEIS Reserves September 2021	SMEEIS Reserves December 2020	Total September 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	15,472,569	10,432,708	-	-	15,472,569	10,432,708
Closing	97,535,947	92,496,086	826,568	826,568	98,362,515	93,322,654
Bank						
In thousand of Naira						
Opening	71,199,773	71,199,773	826,568	826,568	72,026,341	72,026,341
Transfers during the perio	10,971,742	11,035,359	-	-	10,971,742	11,035,359
Closing	82,171,515	82,235,132	826,568	826,568	82,998,083	83,061,700

(ii) Share scheme reserve

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

(iii) Treasury shares

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

(iv) Capital reserve

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

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

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

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

(viii) Retained earnings
Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

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

In thousands of Naira	Group September 2021	Group December 2020
Access Bank, Gambia	842,358	720,721
Access Bank, Sierra Leone	44,475	52,367
Access Bank Zambia	7,348,394	2,139,647
Access Bank, Rwanda	980,007	1,110,453
Access Bank, Congo	5,747	3,248
Access Bank, Ghana	7,422,688	4,502,399
Access Bank, Mozambique	4,502	-
Access Bank, Kenya	1,638	-
Access Bank, South Africa	746,878	-
	17,396,688	**8,528,835**

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

In thousands of Naira	Group September 2021	Group September 2020
Access Bank, Gambia	41,280	17,351
Access Bank, Sierra Leone	5,579	5,044
Access Bank Zambia	412,140	152,803
Access Bank, Rwanda	67,300	63,029
Access Bank, Congo	607	17
Access Bank, Ghana	1,564,951	769,491
Access Bank, Mozambique	(69)	-
Access Bank, Kenya	268	-
Access Bank, South Africa	(209,964)	-
	1,882,091	**1,007,735**

	Group September 2021	Group December 2020
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	12%	12%
Access Bank, Sierra Leone	1%	3%
Access Bank Zambia	30%	30%
Access Bank, Rwanda	9%	25%
Access Bank Congo	0%	0%
Access Bank, Ghana	7%	7%
Access Bank, Mozambique	0.02%	0%
Access Bank, Kenya	0.02%	0%
Access Bank, South Africa	9.65%	0%

39 Contingencies

Claims and litigation

The Group is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. N2.33Bn provision has been made as at 30 September 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 September 2021**	**Group December 2020**	**Bank September 2021**	**Bank December 2020**
Contingent liabilities:				
Transaction related bonds and guarantees	498,777,544	378,808,847	467,323,209	335,064,193
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	357,756,446	445,538,945	336,552,294	341,751,564
	856,533,989	**824,347,792**	**803,875,504**	**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 September 2021	Group December 2020	Bank September 2021	Bank December 2020
Cash on hand and balances with banks	1,002,248,637	502,781,098	782,047,046	456,588,630
Unrestricted balances with central banks	76,011,028	51,127,104	4,704,515	13,639,189
Money market placements	150,793,657	89,783,184	25,489,220	40,095,276
Investment under management	23,881,674	23,785,009	23,881,674	23,785,009
Treasury bills with original maturity of less than 90days	656,370,811	170,370,193	656,370,811	170,370,193
	1,909,305,809	**837,846,588**	**1,492,493,267**	**704,478,297**

Cash and cash equivalent for the purpose of the preparation of the statement of cash flows excludes cash collaterals held for letters of credit and the mandatory cash deposit held with the Central Bank of Nigeria.

(b) *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	Debt securities issued		Interest bearing borrowings	
	Group September 2021	Bank September 2021	Group September 2021	Bank September 2021
Net debt	169,160,060	169,160,060	791,455,234	755,254,263
Acquired from business combinations	210,251,521	204,946,341	-	-
Proceeds from interest bearing borrowings	-	-	391,317,472	372,172,728
Repayment of interest bearing borrowings	-	-	(91,360,730)	(78,048,439)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	379,411,582	374,106,401	1,091,411,976	1,049,378,553
The effect of changes in foreign exchange rates	3,620,129	3,931,496	7,476,799	7,452,612
Other changes				
Interest expense	15,735,750	15,595,834	32,399,053	30,852,258
Interest paid	(13,385,619)	(13,385,619)	(28,561,979)	(26,929,941)
Balance	**385,381,840**	**380,248,111**	**1,102,725,854**	**1,060,753,481**

	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
Arising from business combination	-	-	-	-
Repayment of interest bearing borrowings	-	-	(75,582,339)	(66,636,469)
Debt securities issued	-	-	-	-
Repayment of debt securities issued	-	-	-	-
Total changes from financing cash flows	157,987,877	157,987,877	767,036,390	731,269,459
The effect of changes in foreign exchange rates	11,102,709	11,102,709	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	**169,160,061**	**169,160,059**	**791,455,238**	**755,254,273**

(C) *Non-cash investing activities and financing activities:*
The following activities as listed below are the items that have been identified as non cash investing and financing activities arising from the merger

Acquisition of Right of use assets-(see note 28 (b)
Partial settlement of a business combination through the issuance of shares (see note 44(a)i

42 Events after reporting date

Subsequent to the end of the financial period, the Bank successfully completed the issuance of a U.S.$500,000,000 Perpetual Fixed Rate Resettable additional Tier 1 Subordinated Notes under its U.S.$1,500,000,000 Global Medium Term Note Programme listed on the London Stock Exchange. The note will bear a fixed interest rate of 9.125 per cent per annum resettable on January 7, 2027. Interest on the Notes will be payable semi-annually in arrears commencing on 7 July 2022. The note may be recalled anytime from 7 October 2026, subject to certain conditions including the Central Bank of Nigeria's approval.

44 Business Combination

(a) Business Combination with Transnational Bank Kenya

The Bank recently acquired Transnational Bank in Kenya with effect from 20 July 2020. The acquisition involved the Bank acquiring the 99.98% issued share capital of Transnational Bank in exchange for cash consideration of N5,517,428,970 (Five billion, five hundred and seventeen thousand, four hundred and twenty eight thousand, nine hundred and seventy naira)

In fulfilment of the consideration for the acquisition, Transnational Bank's shareholders received a total cash consideration offer of N5,634,410,000 comprising of (i) a cash consideration payment of N4,225,807,500 (Four billion, two hundred and twenty five million, eight hundred and seven thousand, five hundred Naira) (ii) a deferred payment of N1,408,602,500 (one billion, four hundred and eight million six hundred and two thousand, five hundred naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N1,291,620, 470 using a discount rate of 4.24% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Kenya. The goodwill computation is provisional at the time of this report.

In thousands of Naira	Bank July 2020
Considerations:	
Cash payment	4,225,808
Consideration deferred	1,291,620
Total Consideration	**5,517,428**
Net assets/ (liabilities) acquired from business combination (see note 44	(1,028,906)
Goodwill	**6,546,334**

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

(b)

	Group
	July 2020
Assets	
Cash and balances with banks	7,618,165
Non pledged trading assets	-
Derivative financial assets	-
Pledged assets	-
Loans to banks	-
Loans and advances to customers	17,416,132
Investment securities	12,143,738
Investment properties	-
Other assets	1,915,647
Investment in subsidiaries	-
Investment in associates	-
Property and equipment	575,777
Intangible assets	104,643
Deferred tax assets	597,462
	40,371,564
Asset classified as held for sale and discontinued operations	-
Total assets	**40,371,564**
Liabilities	
Deposits from financial institutions	-
Deposits from customers	32,906,716
Derivative Liabilities	-
Current tax liabilities	-
Other liabilities	8,493,018
Deferred tax liabilities	-
Debt securities issued	-
Interest-bearing borrowings	-
	41,399,734
Liabilities classified as held for sale and discontinued operations	-
Total liabilities	**41,399,734**
Net assets/ (liabilities)	**(1,028,170)**
Non controlling interest	734
Owners of the Bank equity	**(1,028,906)**

(c) Business Combination with Grobank South Africa

The Bank recently acquired Grobank in South Africa with effect from 4th May 2021. As part of the acquisition, Grobank issued additional units of shares to the Bank. The acquisition involved the Bank acquiring 90.35% of the net assets in exchange for cash of N11,411,682,891 (Eleven billion, four hundred and eleven thousand, six hundred and eighty two thousand, eight hundred and ninety one Naira). The cash consideration is considered as the fair value of the shares acquired and the bargain purchase is considered provisional as at the reporting period. This will be concluded within the 12months window as allowed by IFRS 3.

In thousands of Naira	Bank
	April 2021
Considerations:	
Cash payment	11,411,683
Total Consideration	**11,411,683**
Fair value of NCI (non-controlling interests) at acquisiton	1,328,824
Fair Value of Net assets/ (liabilities) acquired from business combination (see note 44 (f) below)	13,770,195
Fair value adjustment	-
Bargain Purchase	**(1,029,688)**

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

		Group April 2021
(d)	**Assets**	
	Cash and balances with banks	34,737,620
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	-
	Loans and advances to customers	49,301,551
	Investment securities	8,007,436
	Investment properties	-
	Other assets	-
	Investment in subsidiaries	-
	Investment in associates	-
	Property and equipment	288,153
	Intangible assets	1,682,031
	Deferred tax assets	-
		94,016,791
	Asset classified as held for sale and discontinued operations	-
	Total assets	**94,016,791**
	Liabilities	
	Deposits from financial institutions	3,516,176
	Deposits from customers	70,230,470
	Derivative Liabilities	90,038
	Current tax liabilities	-
	Other liabilities	6,409,912
	Deferred tax liabilities	-
	Debt securities issued	-
	Interest-bearing borrowings	-
		80,246,596
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**80,246,596**
	Net assets/ (liabilities)	**13,770,195**
	Non controlling interest	1,328,824
	Owners of the Bank equity	**12,441,371**

(e) Business Combination with Cavmont Bank Zambia

Access Bank Zambia recently acquired Cavmont Bank in Zambia with effect from 4th January 2021. The acquisition involved the Bank acquiring 100% issued share capital of Cavmont Bank. The net asset acquired has been recognized as a bargain purchase and is shown as a separae line item in the statement of comprehensive income.

In thousands of Naira	Bank January 2021
Considerations:	
Cash payment	-
Total Consideration	**-**
Net assets/ (liabilities) acquired from business combination (see note 44	1,454,574
Fair value adjustment	-
Bargain Purchase	**(1,454,574)**

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

		Group January 2021
(f)	**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	1,069,646
	Deferred tax liabilities	
	Debt securities issued	
	Interest-bearing borrowings	-
		34,185,442
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**34,185,442**
	Net assets/ (liabilities)	**1,454,574**
	Non controlling interest	-
	Owners of the Bank equity	**1,454,574**

(g) Business Combination with ABC Mozambique

Access Bank Mozambique recently acquired BancABC Bank in Mozambique with effect from 14th May 2021. The acquisition involved the Bank acquiring 99.997% issued share capital of BancABC in exchange for cash of N9,259,068,053 (Nine billion, two hundred and fifty nine million, sixty eight thousand and fifty three naira) used to pay off the shareholders of former BancABC.

The consideration for the acquisition comprises of (i) a cash consideration payment of N5,171,476,925 (Five billion, one hundred and seventy one million, four hundred and seventy six thousand, nine hundred and twenty five Naira) (ii) a deferred payment of N5,164,813,558 (Five billion one hundred and sixty-four million, eight hundred and thirteen thousand, five hundred and fifty-eight naira) to be made to shareholders at the expiration of 2 years. For the purpose of the goodwill computation , this deferred consideration has been carried at its present value of N4,087,591,127 using a discount rate of 12.4% . This discount rate was estimated using a financial instrument close to cash in liquidity and the country risk premium for Mozambique. The goodwill has been computed by comparing the fair value of the nest asset of former BancABC to the present value of the cash consideration paid for the acquisition. The goodwill computation is provisional at the time of this report.

In thousands of Naira	Bank May 2021
Considerations:	
Cash payment	5,171,477
Consideration deferred	4,087,591
Total Consideration	**9,259,068**
Net assets/ (liabilities) acquired from business combination (see note 44	9,415,220
Fair value adjustment	-
Adjusted Net assets/(liabilities) acquired from business combination (see	9,415,220
Bargain Purchase	**(156,152)**

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

		Bank May 2021
(h)	**Assets**	
	Cash and balances with banks	19,195,002
	Non pledged trading assets	-
	Derivative financial assets	-
	Pledged assets	-
	Loans to banks	19,637,926
	Loans and advances to customers	37,517,009
	Investment securities	8,606,809
	Investment properties	2,567,416
	Other assets	2,121,854
	Investment in subsidiaries	-
	Investment in associates	-
	Property and equipment	3,694,913
	Intangible assets	171,416
	Deferred tax assets	1,837,758
		95,350,103
	Asset classified as held for sale and discontinued operations	-
	Total assets	**95,350,103**
	Liabilities	
	Deposits from financial institutions	765,456
	Deposits from customers	79,068,342
	Derivative Liabilities	-
	Current tax liabilities	-
	Other liabilities	3,337,927
	Deferred tax liabilities	-
	Debt securities issued	-
	Interest-bearing borrowings	2,762,874
		85,934,599
	Liabilities classified as held for sale and discontinued operations	-
	Total liabilities	**85,934,599**
	Net assets/ (liabilities)	**9,415,502**
	Non controlling interest	282
	Owners of the Bank equity	**9,415,220**

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 30 September 2021 is N804.23Mn. 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	Sic Property and Investment Company Ltd	Ex Non-executive director	Mr Ortisedere Otubu	Term Loan	390,715,328	Performing	Legal Mortgage
2	Paul Usoro & Company	Non-executive director	Mr Paul Usoro	Overdraft	406,422,741	Performing	Cash collateral
				Credit Card	-	Performing	Cash collateral
3	Okey Nwuke	Non-executive director	Mr Okey Nwuke	Overdraft	15,776	Performing	Cash collateral
				Credit Card	7,104,935	Performing	Cash collateral
	Balance, end of period				**804,258,781**		

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Value Added Statement

In thousands of Naira

	Group September 2021	%	Group September 2020	%
Gross earnings	693,125,182		592,786,756	
Interest expense				
Foreign	(37,829,598)		(32,121,260)	
Local	(117,220,987)		(111,135,360)	
	538,074,597		449,530,135	
Net impairment (loss) on financial assets	(37,450,459)		(32,993,025)	
Net impairment loss on other financial assets	(1,472,134)		(1,247,395)	
Bought-in-materials and services				
Foreign	(12,887,182)		(5,862,190)	
Local	(200,845,801)		(174,022,621)	
Value added	**285,419,021**		**235,404,906**	
Distribution of Value Added				
To Employees:				
Employees costs	71,829,146	25%	57,094,189	24%
To government				
Government as taxes	13,181,319	5%	14,322,071	6%
To providers of finance				
Interest on borrowings	48,134,803	17%	35,753,669	15%
Dividend to shareholders	30,213,442	11%	23,104,397	10%
Retained in business:				
For replacement of property and equipment and intangible assets	30,383,497	11%	25,934,480	11%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	91,676,814	32%	79,196,101	34%
	285,419,021	**100%**	**235,404,906**	**100%**

OTHER NATIONAL DISCLOSURES

Value Added Statement

In thousands of Naira	Bank September 2021	%	Bank June 2020	%
Gross earnings	546,347,608		495,251,681	
Interest expense				
Foreign	(38,541,678)		(32,496,460)	
Local	(89,828,499)		(91,790,457)	
	417,977,431		370,964,762	
Net impairment (loss) on financial assets	(32,360,721)		(30,226,381)	
Net impairment loss on other financial assets	(984,615)		(1,230,170)	
Bought-in-materials and services				
Foreign	(12,887,182)		(3,660,519)	
Local	(175,309,159)		(162,177,396)	
Value added	**196,435,754**		**173,670,298**	
Distribution of Value Added				
To Employees:				
Employees costs	46,474,014	24%	42,526,297	24%
To government				
Government as taxes	5,941,989	3%	9,579,093	6%
To providers of finance				
Interest on borrowings	46,448,092	24%	33,741,700	19%
Dividend to shareholders	30,213,442	15%	23,104,397	13%
Retained in business:				
For replacement of property and equipment	24,426,716	12%	22,659,855	13%
For replacement of equipment on lease	-	0%	-	0%
Retained profit (including Statutory and regulatory risk reserves	42,931,501	22%	42,058,955	24%
	196,435,754	**100%**	**173,670,298**	**100%**

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Group	September 2021	December 2020	Restated December 2019	December 2018	Restated December 2017
	9 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	1,399,115,872	723,872,820	723,064,003	740,926,362	547,134,325
Investment under management	31,626,056	30,451,466	28,291,959	23,839,394	20,257,131
Non pledged trading assets	275,386,106	207,951,943	129,819,239	38,817,147	46,854,061
Pledged assets	341,958,969	228,545,535	605,555,891	554,052,956	447,114,404
Derivative financial instruments	164,376,938	251,112,745	143,520,553	128,440,342	93,419,293
Loans and advances to banks	294,938,103	392,821,307	152,825,081	142,489,543	68,114,076
Loans and advances to customers	3,746,027,933	3,218,107,027	2,911,579,708	1,993,606,233	1,995,987,627
Investment securities	1,972,931,383	1,749,549,145	1,084,604,187	501,072,480	278,167,758
Investment properties	217,000	217,000	927,000	-	-
Other assets	1,779,798,345	1,548,891,262	1,055,510,452	704,326,780	489,563,282
Investment properties	-	217,000	-	-	-
Investment in associates	2,496,604	-	-	-	-
Property and equipment	243,401,253	226,478,704	211,214,241	103,668,719	97,114,642
Intangible assets	67,463,343	69,189,845	62,479,692	9,752,498	8,295,855
Deferred tax assets	10,427,741	4,240,448	8,807,563	922,660	740,402
Assets classified as held for sale	36,418,914	28,318,467	24,957,519	12,241,824	9,479,967
Total assets	10,366,584,556	8,679,747,714	7,143,157,088	4,954,156,939	4,102,242,823
Liabilities					
Deposits from financial institutions	1,351,546,213	958,397,171	1,186,356,312	994,572,845	450,196,970
Deposits from customers	6,227,065,505	5,587,418,213	4,255,837,303	2,564,908,384	2,244,879,075
Derivative financial instruments	8,226,667	20,880,529	6,885,680	5,206,001	5,332,177
Current tax liabilities	8,497,862	2,159,921	3,531,410	4,057,862	7,489,586
Other liabilities	450,963,457	379,416,786	324,333,880	246,438,951	258,166,549
Deferred tax liabilities	20,373,889	14,877,285	11,272,928	6,456,840	8,764,262
Debt securities issued	385,381,839	169,160,059	157,987,877	251,251,383	302,106,706
Interest-bearing borrowings	1,109,989,435	791,455,237	586,602,830	388,416,734	311,617,187
Retirement benefit obligations	5,181,880	4,941,268	3,609,037	2,336,183	2,495,274
Total liabilities	9,567,226,747	7,928,706,469	6,536,417,257	4,463,645,183	3,591,047,785
Equity					
Share capital and share premium	251,811,463	251,811,463	251,811,463	212,438,802	212,438,802
Retained earnings	352,671,482	252,396,881	221,665,749	155,592,892	113,449,307
Other components of equity	177,478,178	239,494,175	124,733,788	114,609,701	178,399,413
Non controlling interest	17,396,687	7,338,726	8,528,834	7,870,360	6,907,515
Total equity	799,357,809	751,041,245	606,739,835	490,511,756	511,195,038
Total liabilities and Equity	10,366,584,556	8,679,747,714	7,143,157,088	4,954,156,935	4,102,242,820
Gross earnings	693,125,182	592,786,756	666,753,601	528,744,579	459,075,779
Profit before income tax	135,071,574	116,622,568	111,925,523	103,187,703	78,169,119
Profit from continuing operations	121,890,255	102,300,497	94,056,603	94,981,086	60,087,491
Profit for the period	121,890,255	102,300,497	94,056,603	94,981,086	60,087,491
Non controlling interest	1,882,092	1,400,944	1,007,735	962,845	13,090
Profit attributable to equity holders	120,008,163	100,899,554	93,048,868	94,018,240	60,074,401
Dividend paid	30,213,442	23,104,397	14,218,090	18,803,180	18,803,180
Earning per share - Basic	346k	289k	173k	330k	218k
- Adjusted	337k	283k	169k	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

OTHER NATIONAL DISCLOSURES

Other financial Information
Five-year Financial Summary

Bank	**September 2021**	**December 2020**	**Restated December 2019**	**December 2018**	**Restated December 2017**
In thousands of Naira	**9 months N'000**	**12 months N'000**	**12 months N'000**	**12 months N'000**	**12 months N'000**
Assets					
Cash and balances with banks	979,245,643	589,812,439	575,906,273	338,289,912	252,521,543
Investment under management	31,626,056	30,451,466	28,291,959	23,839,394	20,257,131
Non pledged trading assets	173,144,924	110,283,112	76,971,761	36,581,058	43,016,990
Pledged assets	341,958,969	228,545,535	605,555,892	554,052,956	440,503,327
Derivative financial instruments	159,996,471	244,564,046	143,480,073	128,133,789	92,390,219
Loans and advances to banks	251,468,034	231,788,276	164,413,001	100,993,116	101,429,001
Loans and advances to customers	3,111,380,697	2,818,875,731	2,481,623,671	1,681,761,862	1,771,282,739
Investment securities	1,462,825,964	1,428,039,657	813,706,953	258,580,286	121,537,302
Other assets	1,702,374,359	1,490,633,058	1,004,310,282	625,813,176	469,812,502
Investment properties	217,000	217,000	727,000	-	-
Investment in associates	2,488,301	-	-	-	-
Investment in subsidiary	176,463,861	164,251,532	131,458,709	111,203,496	87,794,631
Property and equipment	191,718,375	191,893,320	188,634,458	88,392,543	83,676,723
Intangible assets	60,777,256	67,496,079	67,550,666	8,231,197	5,981,905
Deferred tax assets	-	-	-	-	-
Assets classified as held for sale	36,228,914	28,128,467	24,957,518	12,241,824	9,479,967
Total assets	8,681,914,824	7,624,979,718	6,307,588,216	3,968,114,609	3,499,683,979
Liabilities					
Deposits from banks	1,041,377,085	831,632,332	1,079,284,414	616,644,611	276,140,835
Deposits from customers	5,135,046,940	4,832,744,495	3,668,339,811	2,058,738,930	1,910,773,713
Derivative financial instruments	7,864,358	20,775,722	6,827,293	5,185,870	5,306,450
Debt securities issued	380,248,110	169,160,059	157,987,877	251,251,383	302,106,706
Current tax liabilities	7,459,761	2,546,893	1,409,437	2,939,801	4,547,920
Other liabilities	404,039,665	342,460,268	302,261,950	222,046,143	242,948,060
Retirement benefit obligations	5,149,380	4,584,149	3,418,060	2,319,707	2,481,916
Interest-bearing borrowings	1,060,753,491	755,254,273	544,064,226	363,682,441	282,291,141
Deferred tax liabilities	11,925,862	11,925,861	4,507,110	4,505,966	7,848,515
Total liabilities	8,053,864,651	6,971,084,052	5,768,100,178	3,527,314,851	3,034,445,256
Equity					
Share capital and share premium	251,811,463	251,811,463	251,811,463	212,438,802	212,438,802
Retained earnings	260,064,968	206,896,038	188,925,555	148,238,575	115,966,230
Other components of equity	116,173,741	195,188,165	98,751,019	80,122,380	136,833,692
Total equity	628,050,172	653,895,666	539,488,037	440,799,757	465,238,724
Total liabilities and Equity	8,681,914,823	7,624,979,718	6,307,588,214	3,968,114,608	3,499,683,980
Gross earnings	546,347,608	495,251,681	576,347,840	435,743,037	398,161,576
Profit before income tax	79,086,931	74,742,445	79,213,711	75,248,146	65,140,136
Profit for the period	73,144,940	65,163,350	70,115,989	73,596,295	51,335,460
Dividend paid	30,213,442	23,104,397	18,803,180	18,803,180	15,910,384
Earning per share - Basic	206k	183k	207K	177k	221k
- Adjusted	206k	183k	207K	184k	221k
Number of ordinary shares of 50k	28,927,971,631	28,927,971,631	28,927,971,631	28,927,971,631	28,927,971,631